



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE
AUDITOR-CONTROLLER

MARIA M. OMS
CHIEF DEPUTY

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS
JOHN NAIMO
JUDI E. THOMAS

August 12, 2009

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM:

Wendy L. Watanabe
Auditor-Controller

**SUBJECT: LOS ANGELES COUNTY OFFICE OF EDUCATION JUVENILE COURT
SCHOOLS PROGRAM'S FUNDING UTILIZATION (BOARD AGENDA
ITEMS 6 AND 47-E, OCTOBER 14, 2008)**

On October 14, 2008, your Board directed the Auditor-Controller to work jointly with the Los Angeles County Office of Education (LACOE) to report on the following:

- (1) How LACOE uses existing dollars (including staff and other overhead costs) and how that compares with other Juvenile Court Schools (JCS) in the State, including Orange and Ventura counties; and
- (2) The difference, in dollars, between the current funding model and the change to a residential service delivery model and how the new model would impact implementing the 35 recommendations, related to the Los Angeles County Education Reform Committee's (Committee) report issued on October 3, 2008.

Approach

In December 2008, we hired School Services of California, Inc. (SSC), a consulting firm with extensive program and fiscal experience in the educational field, to perform the review. SSC's review included evaluating LACOE's utilization of JCS funding and comparing LACOE's JCS budgeted and actual program revenue and expenditures with JCS programs located in the Counties of Alameda, Orange, Riverside, San Bernardino,

Ventura, and San Diego. In addition, SSC conducted interviews with LACOE and Probation staff and visited selected camp schools and juvenile halls.

Results of Consultant's Review

SSC reported that:

- LACOE effectively used JCS funds to provide program services and LACOE's expenditures appeared appropriate.
- LACOE's use of JCS funds between the expenditure categories (for example, salaries, employee benefits, books and supplies, etc.) aligned with the use of funds reported in the other JCS programs.
- LACOE's JCS program is underfunded and that future State funding is expected to decrease. LACOE's JCS program's operating deficit for Fiscal Year (FY) 2008-09 was projected at \$20 million compared to other JCS programs that projected an average operating surplus of approximately \$60,000. LACOE attributed the JCS operating deficit to a number of factors including their collective bargaining agreements that limited class sizes, the large number of JCS classrooms, physical facility limitations, higher percentage (than at a regular high school) of special education students and the Department of Justice (DOJ) requirements.
- JCS is currently being funded by the average daily attendance (ADA) existing funding model (model) which provides a specific dollar amount based upon actual attendance in the classroom. The model does not effectively account for the unpredictability of enrollment and attendance in JCS school classrooms and the requirement to staff classrooms regardless of student enrollment and attendance levels on any given day. LACOE is required to provide appropriate education to all JCS students regardless of funding or costs.
- The proposed residential service delivery funding model (new model) was developed as an alternative to the current funding system for JCS due to the deficit described above. According to SSC, the new model would have resulted in LACOE receiving an additional \$20 million for FY 2008-09. However, the additional funding would have been offset by LACOE's projected deficit. As a result, the 35 recommendations in the Committees' report which require additional staff, programs or funding, cannot be implemented without increasing the program costs, and therefore created further deficit.

SSC's report (attached) contains several recommendations, such as, enhancing LACOE's oversight of the JCS program by improving their budgetary processes, increasing program revenue and reducing program operating costs.

Auditor-Controller's Recommendations

To enhance LACOE's oversight of the JCS program, LACOE needs to implement the recommendations contained in SSC's report and continue to pursue legislative changes to the existing model. LACOE also needs to develop a plan to resolve the JCS program's growing operating deficit. LACOE's plan should address, but not be limited to, the following:

- Identify the expenditures associated with each factor (e.g., bargaining agreements, DOJ recommendations, etc.) and identify options to reduce costs. LACOE attributed the JCS program's increasing deficit (from \$6 million to a projected \$20 million over the last three years) to a number of factors, including those mentioned above. It should be noted that any expenditure reductions cannot affect the compliance requirements associated with DOJ findings.
- Evaluate the appropriateness of salaries and benefits paid to JCS instructors and identify possible options to reduce costs. Approximately 84% of the JCS expenditures related to salaries and benefits paid to program staff.
- Evaluate the use of substitute teachers and identify possible options to reduce costs. SSC reported that LACOE attributed part of the increase in salaries and benefits to the increased cost of substitutes when personnel are absent and coverage is required. According to LACOE management, substitute teaching accounts for approximately 6% to 7% of the total cost for teachers' salaries in the JCS program.
- Evaluate the appropriateness of the number of administrators assigned to the JCS program and identify possible options to reduce costs. SSC reported the number of LACOE administrators per JCS student was approximately double the average number of administrators per student in the other JCS programs.
- Identify ways to implement the Committee's 35 recommendations. LACOE also needs to establish timelines to implement the recommendations contained in SSC's report.

We discussed SSC's report with LACOE and Probation who indicated general agreement with the attached report. LACOE and Probation will provide your Board with written responses to the recommendations in SSC's report within 30 days. In addition, LACOE should include a plan to resolve the JCS program's operating deficit which will include the items indicated above.

We thank SSC, LACOE and Probation for their efforts and cooperation throughout the review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:MMO:JET:DC

Attachment

- c: William T Fujioka, Chief Executive Officer
- Sachi A. Hamai, Executive Officer, Board of Supervisors
- Robert B. Taylor, Chief Probation Officer
- Los Angeles County Office of Education:
 - Dr. Darline P. Robles, Superintendent
 - Donald Kenneth Shelton, Assistant Superintendent, Business Services
 - Ron Bennett, President & CEO, School Services of California
 - Education Deputies
 - Justice Deputies
 - Children Services Deputies
 - Audit Committee
 - Public Information Office

Los Angeles County Office of Education

JUVENILE COURT SCHOOLS PROGRAM REVIEW

MAY 29, 2009

Prepared By:

MAUREEN EVANS
ASSOCIATE VICE PRESIDENT

KATHLEEN O'SULLIVAN
CONSULTING COORDINATOR

RON BENNETT
PRESIDENT AND CEO

DAVID LONG, PH.D.
PRESIDENT AND CEO
DAVE LONG & ASSOCIATES



Los Angeles County Office of Education

JUVENILE COURT SCHOOLS PROGRAM REVIEW

MAY 29, 2009

Prepared By:

MAUREEN EVANS
ASSOCIATE VICE PRESIDENT

KATHLEEN O'SULLIVAN
CONSULTING COORDINATOR

RON BENNETT
PRESIDENT AND CEO

DAVID LONG, PH.D.
PRESIDENT AND CEO
DAVE LONG & ASSOCIATES

Copyright © 2009 by
School Services of California, Inc.
1121 L Street, Suite 1060
Sacramento, CA 95814
(916) 446-7517 FAX (916) 446-2011
www.sscal.com

All rights reserved. These materials may not be duplicated in any way without the expressed written consent of School Services of California, Inc., except in the form of brief excerpts or quotations or as a teaching guide to employees of the school agency or organization that contracted for this report. Making copies of this report or any portion for any purpose other than your own or as noted above, is a violation of United States copyright laws.





May 29, 2009

1121 L Street

•

Suite 1060

•

Sacramento

•

California 95814

•

TEL: 916.446.7517

•

FAX: 916.446.2011

An Employee-Owned
Company

Ms. Maria M. Oms, Assistant Auditor-Controller
Assistant Auditor-Controller
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 525
Los Angeles, CA 90012-2766
Attention: Mr. Don Chadwick

Dear Ms. Oms:

Thank you for allowing School Services of California (SSC) to evaluate the Los Angeles County Office of Education (LACOE) Juvenile Court School (JCS) program. We are pleased to provide you with the following report.

The report includes an evaluation of the LACOE JCS Program revenues and expenditures, staffing, and program data, visiting selected LACOE camp schools and juvenile halls, and surveying and compiling budget, staffing, and program data from comparable county office of education JCS programs.

Please let us know if we can be of service in providing any additional clarification regarding our review. We thank you for the confidence you have placed in SSC.

Sincerely,

MAUREEN EVANS
Associate Vice President

RON BENNETT
President and CEO

KATHLEEN O'SULLIVAN
Consulting Coordinator

DAVID LONG, P.h.D.
President and CEO
Dave Long & Associates

TABLE OF CONTENTS

PURPOSE AND SCOPE	1
METHODOLOGY	1
<i>County Offices of Education</i>	<i>2</i>
EXECUTIVE SUMMARY	3
<i>Purpose and Scope</i>	<i>3</i>
<i>Methodology</i>	<i>3</i>
<i>Current Funding for California JCS Programs</i>	<i>4</i>
<i>LACOE JCS Program Background and History</i>	<i>4</i>
<i>LACOE's Use of JCS Program Funds</i>	<i>5</i>
<i>Comparative Review</i>	<i>8</i>
<i>Proposed Residential Service Funding Model</i>	<i>15</i>
<i>35 Recommendations</i>	<i>17</i>
<i>Conclusion</i>	<i>18</i>
CURRENT FUNDING FOR CALIFORNIA JCS PROGRAMS	20
Revenue Limit	20
Federal Revenue Sources	21
Other State Revenue Sources	21
Impact of Current Funding Sources	22
LACOE JCS PROGRAM BACKGROUND AND HISTORY	24
LACOE'S USE OF JCS PROGRAM FUNDS	27
<i>Recommendations</i>	<i>29</i>
Budgeting	29
<i>Budget Development</i>	<i>29</i>
<i>Budget Monitoring</i>	<i>31</i>
<i>Recommendations</i>	<i>32</i>
LACOE JCS Program Revenues and Expenditures	33
<i>Recommendations</i>	<i>43</i>
LACOE JCS Program Structural Deficit	44
<i>Recommendations</i>	<i>47</i>
LACOE JCS Program Per Capita Measurements	48
<i>Recommendations</i>	<i>53</i>
LACOE JCS Program Revenue Limit Funding	54
<i>Recommendations</i>	<i>56</i>
COMPARATIVE REVIEW	57
Comparative JCS Program Revenues and Expenditures	57
<i>Recommendations</i>	<i>80</i>
Comparative JCS Program Per Capita Measurements	81
Revenues	81
Expenditures	85

LOS ANGELES COUNTY OFFICE OF EDUCATION

JUVENILE COURT SCHOOLS PROGRAM REVIEW—MAY 29, 2009

<i>Surplus/(Deficit) in Revenue and Expenditures</i>	89
<i>Recommendations</i>	90
Comparative JCS Program Student Population	91
<i>Average Daily Attendance and Average Daily Population</i>	91
<i>Special Education</i>	94
<i>Recommendations</i>	96
Comparative JCS Program Fees	97
<i>Recommendations</i>	97
Comparative JCS Program Facilities	97
<i>Recommendations</i>	99
Comparative JCS Program Staffing.....	99
<i>Recommendations</i>	101
PROPOSED RESIDENTIAL SERVICE FUNDING MODEL.....	102
<i>Recommendations</i>	104
35 RECOMMENDATIONS.....	105
CONCLUSION.....	106
SUMMARY RECOMMENDATIONS	107
APPENDIX A—BARRY J. NIDORF PAU STAFFING	110
APPENDIX B—COMPARATIVE JCS PROGRAMS BARGAINING AGREEMENTS: CLASS SIZE.	112
APPENDIX C—SAN DIEGO COE SPECIAL EDUCATION SERVICES MOU DESCRIPTION ...	125
APPENDIX D—CLASS LOADING MAXIMUMS	126
APPENDIX E—LACOE’S JCS PROGRAM CLASS SIZE ANALYSIS.....	140
APPENDIX F—PAU STAFFING FORMULA	141
APPENDIX F—PAU STAFFING FORMULA	142
APPENDIX G—LACOE’S JCS PROGRAM POLICY FOR HIRING	
NON-BUDGETED TEACHERS	143
APPENDIX H—PROPOSED RESIDENTIAL SERVICE FUNDING MODEL	144
APPENDIX I—EXECUTIVE SUMMARY TABLE.....	157

Purpose and Scope

The Los Angeles County Auditor-Controller (Auditor-Controller) representing the County of Los Angeles, requested School Services of California, Inc., (SSC) to perform a review of the Los Angeles County Office of Education (LACOE) Juvenile Court School (JCS) program, which involved a review of LACOE's JCS program revenues and expenditures, staffing, and program data, and surveying and compiling budget, staffing, and program data from comparable county office of education (COE) JCS programs, as well as visiting selected camp schools and juvenile halls. The evaluation is also intended to identify the differences in funding between the average daily attendance (ADA) model and the residential service delivery model and how the funding differences would impact the implementation of the recommendations contained in the Los Angeles County Comprehensive Education Reform Committee's report.

The review of the JCS program includes:







- ✚ Evaluating LACOE's utilization of its existing funds to provide effective JCS program services
- ✚ Comparing LACOE's funding allocation to provide JCS services at the Probation camps and halls with JCS programs in other counties, and analyzing the differences and recommending best practices
- ✚ Describing the proposed residential service delivery model and identifying the difference in the funding received, between the ADA-funding model and the proposed residential service delivery model
- ✚ Evaluating the impact of the proposed funding model on LACOE's and the County's ability to implement the 35 recommendations contained in the Los Angeles County Comprehensive Education Reform Committee's report

Methodology

In order to obtain JCS revenues and expenditures, SSC requested a survey to be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing). LACOE and the other comparison COEs provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools.

In preparing this evaluation of the LACOE JCS Program, SSC reviewed the provided JCS budget and program data from LACOE and Los Angeles County Probation (Probation), as well as conducting interviews with LACOE and Probation staff, and visiting selected camp schools and juvenile halls—Barry J. Nidorf Juvenile Hall, Challenger Camp, Karl Holton Camp, and Los Padrinis Juvenile Hall. A comparative review was conducted of six COE JCS programs. The Auditor-Controller requested three specific COEs to be included in the comparison: Alameda COE, Orange CDE, and Ventura COE. SSC selected three additional COEs on the basis of JCS student population, geographic location, and county size, to provide a larger base of comparative data.

COUNTY OFFICES OF EDUCATION

-  Alameda County Office of Education (ACOE)
-  Orange County Department of Education (OCDE)
-  Riverside County Office of Education (RCOE)
-  San Bernardino County Superintendent of Schools (SBCSS)
-  San Diego County Office of Education (SDCOE)
-  Ventura County Office of Education (VCOE)

Executive Summary

PURPOSE AND SCOPE

The Los Angeles County Auditor-Controller (Auditor-Controller) representing the County of Los Angeles, requested School Services of California, Inc., (SSC) to perform a review of the Los Angeles County Office of Education (LACOE) Juvenile Court School (JCS) program, which involved a review of LACOE's JCS program revenues and expenditures, staffing, and program data, and surveying and compiling budget, staffing, and program data from comparable county office of education (COE) JCS programs, as well as visiting selected camp schools and juvenile halls. The evaluation is also intended to identify the differences in funding between the average daily attendance model and the residential service delivery model and how the funding differences would impact the implementation of the recommendations contained in the Los Angeles County Comprehensive Education Reform Committee's report.

METHODOLOGY

In order to obtain JCS revenues and expenditures, SSC requested a survey to be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing). LACOE and the other comparison COEs provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools.

In preparing this evaluation of the LACOE JCS program, SSC reviewed the provided JCS budget and program data from LACOE and Los Angeles County Probation (Probation), as well as conducting interviews with LACOE and Probation staff, and visiting selected camp schools and juvenile halls—Barry J. Nidorf Juvenile Hall, Challenger Camp, Karl Holton Camp, and Los Padrinos Juvenile Hall. A comparative review was conducted of six COE JCS programs. The Auditor-Controller requested three specific COEs to be included in the comparison: Alameda COE, Orange CDE, and Ventura COE. SSC selected three additional COEs on the basis of JCS student population, geographic location, and county size, to provide a larger base of comparative data.

CURRENT FUNDING FOR CALIFORNIA JCS PROGRAMS

Funding for JCS programs in California is provided to COEs through various sources. The funding model is unusual and very different from the funding models used to support other public agencies. The JCS program, including services to special needs students, has cost LACOE more to operate than it receives in revenue. The encroachment and negative fund balance in the JCS program has continued to grow. As a result, the requirements and costs of the program continue to place pressure on LACOE's fiscal solvency.

LACOE JCS PROGRAM BACKGROUND AND HISTORY

LACOE's JCS program must provide services to a large and diverse student population, approximately 13,662 students in 2007-08. As a result, the JCS program must be able to meet the varying requirements of instruction and services to students. Currently, all JCS programs statewide are funded under the average daily attendance (ADA) revenue limit model, which funds a calculated juvenile court school revenue limit per ADA earned. As juvenile court schools have grown over time and continue to serve a more seriously affected population requiring more mental health services and more serious offenders, this model has become deficient in providing adequate funding to JCS programs to meet the needs of students. In response to the United States Department of Justice's (DOJ's) investigation of confinement practices, health, mental health, and education services provided to minors at the three Los Angeles County Juvenile Halls, pursuant to the Civil Rights of Institutionalized Persons Act (CRIPA), 42 U.S.C. of 1997, and the Violent Crime Control and Law Enforcement Act of 1994, 42 U.S.C., section 14141, On August 24, 2004, the Department of Justice, the Los Angeles County Board of Supervisors and the Los Angeles County Office of Education approved and fully executed the final settlement agreement entitled, "Agreement between the United States, Los Angeles County and the Los Angeles County Office of Education" Memorandum of Agreement (MOA). The MOA allows the County and LACOE to address the areas of concern over a three-year period under the supervision of a mutually agreed-upon project monitoring team which includes experts in the fields of psychiatry, mental health, medicine, safety and sanitation, juvenile justice programs, juvenile detention practices, and education. The facilities covered by the MOA include the Barry J. Nidorf (BJNJH), Central (CJH), and Los Padrinos Juvenile Halls (LPJH).

As a result of the MOA and work to be in compliance, LACOE was required to hire additional staff to address findings in areas such as assessment, treatment planning, and record keeping. In addition, LACOE has worked extensively with the County Department of Mental Health, and the County Probation Department to comply with the MOA findings, providing support and services as required to meet the provisions of the MOA. As a result, additional staff, resources, programs, and facilities were required to meet the MOA compliance, and all of these factors increased expenses for LACOE's JCS program. Without receiving any increases to revenues, LACOE's

JCS program has incurred structural funding imbalances which lead to an ongoing deficit. The impact of this structural funding imbalance will be further discussed in the Budget Review, and Comparative Review sections of this report.

Significant factors that are unique to LACOE and impact its ability to provide JCS services will be addressed in this report, including the U.S. DOJ MOA, the ADA revenue limit funding model, student population, established facility limitations, and collective bargaining contract limitations.

LACOE'S USE OF JCS PROGRAM FUNDS

The scope of work required an evaluation of LACOE's use of JCS funds to provide JCS program services at the juvenile hall and camp schools. LACOE uses JCS program resources to provide salaries, benefits, materials, and supplies for direct and indirect support to the juvenile hall and camp schools.

Education Code Section 41010 requires local educational agencies (LEAs) to follow the procedures in the *California School Accounting Manual* (CSAM) to record its revenues and expenditures. We found LACOE adheres to this requirement. LACOE also uses the Standardized Account Code Structure (SACS) to classify its financial activities. SACS is a uniform and comprehensive chart of accounts used by all LEAs in California. Although SACS is used by all LEAs, there is local control over the use of some components of SACS.

LACOE accounts for revenues and expenditures utilizing the guidance in the CSAM. LACOE has a comprehensive Chart of Accounts and utilizes the Goal and Location to account for JCS expenditures. The Goal Code tracks "who" is being served.

Budgeting

LACOE's projections for revenue have differences between what was projected for receipt and amounts that were actually received when the fiscal year was completed. There are variances in all major categories of expenditure in the budget in 2006-07 and 2007-08. Data for 2008-09 is provided in the Revenue and Expenditure portion of the review; however, the fiscal year is still underway and actual expenditures will not be known until September 2009.

LACOE budgets conservatively when estimating expenditures throughout the year. The result has been that expenditures are budgeted higher than what actually occur. LACOE has experienced difficulty in accurately projecting the JCS program costs, but the costs are consistently higher than the revenues.

Indirect costs are charged to categorical programs at the lower rate allowed by the grant, or the state-approved indirect rate. Indirect has been charged to LACOE revenue limit programs at a

fixed rate, which was 6.25% prior to 2008 fiscal year, 6.75% for 2008. Indirect expense follows the state SACS definition of indirect costs. For 2008, the following other indirect costs were allocated to LACOE programs by the methods shown in the following Table.

Indirect Cost Allocations	
Cost Center Allocated	Allocation Method
Personnel Commission	Percent of total classified salaries
Personnel Services	Percent of total salaries
Certificated Recruitment	Percent of total certificated salaries
Labor Relations	Percent of total agency FTE (Full time equivalent positions)
Building and Operations	Percent of square footage occupied at the Downey facility, and percent of site maintenance service requests
Records Storage	Allocated by number of boxes of materials stored
Pupil Attendance Accounting (PAA)	Charged to the ADA- generating programs by documented PAA staff time

Source: LACOE provided data

LACOE Indirect Cost Allocations

Costs of agency-wide administration are recorded as indirect expense. Administration of the JCS program (division director, dedicated fiscal staff) is charged as a direct cost to the program central budget.

LACOE JCS Program Revenues and Expenditures

Based upon verifiable information such as contract language, number of facilities and physical facility constraints, agreements with the DOJ, and limitations in serving students, it does not appear that LACOE has booked any expenditures that are inappropriate, but again, because the data from LACOE was derived from other sources and used to complete the forms and data information for comparison, there are no obvious inappropriate expenditures.

In 2006-07, certificated salaries were reported at 3.09% less in the unaudited actuals than from the estimated actuals, while classified salaries came in 14.43% less in the unaudited actuals. Employee salaries were overestimated, and at the time of the unaudited actuals were 7.67% less than what was budgeted in the estimated actuals. These discrepancies indicate that LACOE is not updating the JCS budget at a point in the year when it should have a better estimate of revenues

and expenses. Additionally, books and supplies expenses came in 44% lower than what was budgeted in the estimated actuals. LACOE should be able to better project the year-end expenses at this point. The sharp changes in salaries and other expenses could cause greater problems if they were underestimated, resulting in a larger deficit.

LACOE JCS Program Structural Deficit

The LACOE JCS program has incurred a structural deficit, or imbalance, that based on current funding available for LACOE, as well as the increasing costs of providing services to students, is projected to continue to grow according to data provided by LACOE. Expenditures in 2006-07, 2007-08, and 2008-09 exceed revenues in the JCS program significantly, with the deficit growing by \$6 million to \$8 million each year. In response to the U.S. DOJ MOA, as of February 2007, LACOE had hired 19 certificated and nine additional staff to work directly with three juvenile halls to address the special education related areas of the U.S. DOJ MOA, 15 additional staff members to work in the Student Records Acquisition Unit, and four additional staff members for the DOJ Halls project, plus an additional 2.5 FTE positions authorized to be filled. We found that in 2008-09, a significant number of certificated and classified positions were added or vacancies filled in the JCS program, resulting in budgeted expenditures in salary and benefits to increase by almost \$6.5 million. LACOE attributes the changes mostly to compliance issues and the increased cost of substitutes when personnel is absent and coverage is required. Thus, if ADA continues to decline as projected, LACOE's JCS program will continue to accrue a deficit as fewer students earn ADA and revenue, but the requirements for LACOE as a result of the DOJ MOA remain unchanged.

LACOE JCS Program Per Capita Measurements

Revenues decreased by 5.01% from 2006-07 to 2007-08, and 0.78% from 2007-08 to 2008-09. One explanation of this decrease in revenues is the decreased earned and funded ADA (see Tables 55, 56, and 57, for total ADA). LACOE's JCS program ADA declined by 261.32 ADA from 2006-07 to 2007-08, and 44.62 ADA (projected) from 2007-08 to 2008-09. This decline in ADA would automatically cause a decrease in funding from the state, recognized as revenue limit funding. This decline would also cause LACOE to lose federal funding such as Title I and special education funding, which are among the largest federal funding sources for the JCS program. These contributing factors can cause a significant decline in revenues for LACOE's JCS program. Over the same period of time, LACOE's JCS program expenditures increased by 3.95% from 2006-07 to 2007-08 and 13.74% (projected) from 2007-08 to 2008-09. These expenditure increases are partly the result of the changes LACOE was required to implement as the COE's section of the DOJ MOU. LACOE was required to increase staff, including teachers and special education staff. As a result, this higher rate of staffing has increased the expenditures

for LACOE and does not respond to changes in ADA as it would if the staffing simply accommodated the set number of students.

LACOE JCS Program Revenue Limit Funding

In 2008-09 and 2009-10, the revenue limit—the largest source of revenue for the JCS program—will be cut dramatically. In 2008-09, the revenue limit will be cut by a total deficit of 7.839%, and it is estimated that in 2009-10 the revenue limit will be cut by 13.360%. These deficits to the revenue limit amount to a considerable cut in per-ADA revenue. After the loss of COLA for both years, actual funding is further reduced by nearly 4% of the 2007-08 revenue limit.

The current revenue limit funding for LACOE's JCS program is not sustainable or effective for LACOE to be able to run a financially sound JCS program, even with a fully funded revenue limit. With the high cost of educating JCS students further impacted by restrictions on the facilities, class size, separation of students, and requirements of the U.S. DOJ settlement agreement, the state JCS revenue limit does not provide sufficient funding for the JCS program. As LACOE's JCS program revenue limit, along with all JCS revenue limits, is cut for current- and next-year, LACOE will be required to provide services at the same level no matter how much state JCS revenue limit decreases. LACOE cannot simply cut services or decrease the number of JCS program students, but must backfill this gap in funding with LACOE's general fund dollars.

COMPARATIVE REVIEW

Six COE JCS programs were surveyed in order to gather comparative data, including budget, staffing, and program comparisons. One important finding of the comparative review is the uniqueness of each juvenile court school. As we analyzed the data, we found that due to factors such as budgeting practices, per capita costs, student population, JCS physical facility limitations, number of facilities, collective bargaining agreements, and other mitigating factors, it is difficult to compare JCS programs in different COEs. In addition, these various factors that directly affect the way a COE is able to operate a JCS program.

Comparative JCS Program Revenues and Expenditures

In order to obtain LACOE's and the comparative counties' JCS expenditures and revenue, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in revenue and expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing). LACOE and the comparative counties provided this data for Juvenile Court

Schools. Budget data for each camp and hall was not provided by COEs or LACOE in a manner that could be used for comparison. COEs are not required to budget by each site. Though some COEs did provide very basic information of total expenditures and total revenues, they were not allocated by site, or with any detail in order to compare the funding allocation.

The funding allocation for revenue limit ADA is the same in the respect that all COEs receive the same base revenue limit amount of funding from the state. This funding is then allocated based upon state requirements and program requirements unique at every COE. As the data was reported by the COEs, revenues are recorded as one of four types: revenue limit, state and local, federal, and other. This funding is then used according to its type for categorized expenditures such as salaries, benefits, books and supplies, capital outlay, etc. The JCS revenue limit is consistent for all COEs. Some COEs reported differences in total revenue limit funding received because of prior-year adjustments to correct for changes in ADA and that COEs can access other grants, categorical programs, and local revenue opportunities—if available or if the COE is eligible—to increase revenues, but this is provided and allocated based on local practice. The JCS program survey used was dependent on subjective interpretation by each comparative COE.

The following Table provides a comparison of the 2006-07 and 2007-08 JCS expenditures. The purpose of this Table is to examine the expenditures of COEs and determine if any COE was spending an unusual percentage of its budget in any particular category that would warrant further investigation into the spending in that category. The conclusion is that LACOE's percentages are commensurate with the other COEs, indicating that LACOE's expenditures per category are proportionate to the total expenditures.

Analysis of Expenditures													
2006-07	LACOE	%	ACOE	%	OCDE	%	RCOE	%	SBCSS	%	VCOE	%	
Certificated Salaries	\$32,908,638	55.4%	\$2,083,289	63.8%	\$7,365,766	66.1%	\$2,698,131	56.8%	\$3,048,467	48.7%	\$1,216,736	59.2%	
Classified Salaries	5,992,945	10.1%	335,927	10.3%	766,873	6.9%	415,475	8.7%	1,146,338	18.3%	142,689	6.9%	
Benefits	11,431,542	19.2%	390,387	12.0%	1,907,249	17.1%	930,685	19.6%	1,366,591	21.8%	403,301	19.6%	
Books and Supplies	1,839,386	3.1%	63,310	1.9%	90,812	0.8%	236,613	5.0%	58,629	0.9%	32,746	1.6%	
Services	2,113,188	3.6%	137,114	4.2%	81,957	0.7%	135,496	2.9%	191,661	3.1%	103,134	5.0%	
Capital Outlay	84,899	0.1%	0	0.0%	6,209	0.1%	6,144	0.1%	20,322	0.3%	6,155	0.3%	
Other Outgo	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Direct/Indirect Support	5,047,722	8.5%	253,745	7.8%	922,203	8.3%	331,230	7.0%	424,159	6.8%	151,699	7.4%	
Total Expenditures	\$59,418,320		\$3,263,772		\$11,141,069		\$4,753,774		\$6,256,167		\$2,056,460		
2007-08	LACOE	%	ACOE	%	OCDE	%	RCOE	%	SBCSS	%	VCOE	%	
Certificated Salaries	\$33,102,631	53.6%	\$2,346,097	65.9%	\$8,299,373	65.2%	\$2,576,831	56.0%	\$2,962,932	50.7%	\$1,321,821	59.9%	
Classified Salaries	6,739,481	10.9%	357,007	10.0%	913,517	7.2%	470,675	10.2%	1,035,273	17.7%	184,023	8.3%	
Benefits	11,852,723	19.2%	438,699	12.3%	2,184,793	17.2%	1,034,256	22.5%	1,224,352	21.0%	424,056	19.2%	
Books and Supplies	1,580,184	2.6%	82,336	2.3%	96,893	0.8%	80,420	1.7%	34,692	0.6%	25,649	1.2%	
Services	2,908,417	4.7%	42,637	1.2%	113,814	0.9%	157,893	3.4%	172,993	3.0%	57,778	2.6%	
Capital Outlay	126,676	0.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Other Outgo	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Direct/Indirect Support	5,453,747	8.8%	293,030	8.2%	1,120,210	8.8%	282,949	6.1%	413,814	7.1%	194,689	8.8%	
Total Expenditures	\$61,763,859		\$3,559,805		\$12,728,600		\$4,603,024		\$5,844,056		\$2,208,016		

*All data provided by counties. Data used is 2006-07 and 2007-08 Unaudited Actuals

Analysis of Expenditures

Comparative JCS Program Per Capita Measurements

State revenue limit funding per unit of ADA is insufficient to operate JCS programs. All COEs in the comparative group project a deficit in revenue limit funding per unit of ADA in 2008-09 which means that program-required expenditures are higher than revenues generated through student attendance (ADA). LACOE and San Bernardino have been struggling with a structural deficit in Revenue Limit funding in each of the three years reported, 2006-07, 2007-08, and 2008-09.

Surplus/(Deficit)* in Revenue Limit Funding per unit of ADA for 2006-07, 2007-08, and 2008-09 (Projected)			
County	2006-07	2007-08	2008-09 (Projected)
Los Angeles	(\$4,978.94)	(\$6,088.44)	(\$8,284.27)
Alameda	\$329.48	\$751.85	(\$89.36)
Orange	\$300.02	(\$65.07)	(\$592.49)
Riverside	\$1,340.11	\$931.02	(\$259.46)
San Bernardino	(\$4,500.14)	(\$4,100.48)	(\$5,761.11)
San Diego	Data unavailable		
Ventura	\$605.62	\$1,202.64	(\$176.06)
*Based on surplus/(deficit) of Per Capita Total Expenses referenced in Table 51, subtracted from per-ADA revenue limit funding referenced in Table 43			

Surplus/(Deficit) in Revenue Limit Funding for 2006-07, 2007-08, and 2008-09 (Projected)

The next Table shows the total per capita revenue for each COE. The total revenue per capita varies significantly when reported by COEs in the survey. The variances are due to the way the COEs reported revenues for the JCS program. COEs are not required to track the data to the level of detail required by the scope of work and each COE completed the survey based on their understanding of the request and the level of detail available in their respective financial systems. LACOE was the only COE that provided revenue sources in each revenue category: revenue limit, federal revenue, state revenue, other local revenue, and contributions/subsidies.

JCS Program Comparative Group: Per Capita Total Revenues* for 2006-07, 2007-08, and 2008-09 (Projected)			
County	2006-07	2007-08	2008-09 (Projected)
Los Angeles	\$12,603.24	\$12,762.28	\$12,521.71
Alameda	\$8,473.88	\$8,915.89	\$9,004.18
Orange	\$9,244.98	\$9,731.85	\$9,843.49
Riverside	\$9,100.27	\$10,245.50	\$9,609.58
San Bernardino	\$12,669.36	\$13,547.20	\$16,081.71
San Diego	Data unavailable		
Ventura	\$8,916.12	\$9,595.72	\$9,606.84
*Total Revenues from county provided 2006-07, 2007-08 Unaudited actuals and 2008-09 First Interim data			

Table: Per Capita Total Revenues for 2006-07, 2007-08, and 2008-09 (Projected)

Each COE JCS program has unique characteristics and challenges, and as a result, the costs of running the programs are very different. It is necessary to calculate the per capita expenditures (displayed in the next Table) in order to allow for comparison. The contributing factors to the varying amounts of per capita expenditures for the comparison JCS group will be fully examined in the following comparative JCS program sections of this report; however, it is important to note that factors such as program size, the needs of students (i.e., special education), limited class sizes, safety issues, and facility constraints can contribute largely to the per capita expenditures. We calculated per capita expenditures by the COE, including all expenditures recorded by the COE for incarcerated youth: certificated salaries, classified salaries, employee benefits, books and supplies, services and other operating expenses, capital outlay, other outgo, and indirect/direct support. The per capita calculation was done by using the ADA number (the number of students funded) as the divisor of total revenues.

JCS Program Comparative Group: Per Capita Total Expenses* for 2006-07, 2007-08, and 2008-09 (Projected)			
County	2006-07	2007-08	2008-09 (Projected)
Los Angeles	\$14,079.17	\$15,600.95	\$17,547.30
Alameda	\$8,770.75	\$8,760.66	\$9,352.39
Orange	\$8,800.21	\$9,577.58	\$9,855.52
Riverside	\$7,760.12	\$8,581.49	\$9,522.49
San Bernardino	\$13,600.37	\$13,612.99	\$15,024.14
San Diego	Data unavailable		
Ventura	\$8,494.61	\$8,309.87	\$9,439.09
*Total Expenditures from 2006-07, 2007-08 Unaudited actuals and 2008-09 First Interim data			

Table: Per Capita Total Expenses for 2006-07, 2007-08, and 2008-09 (Projected)

Again, LACOE's JCS program has the largest deficit of total per capita revenues compared to per capita total expenditures. This is the most complete per capita analysis as it is evaluating all reported revenues and expenditures. LACOE's projected JCS program per capita deficit in funding is projected to be \$5,025.59 per ADA in 2008-09. Even with all sources of revenue included, LACOE's JCS program still has a large structural imbalance that is projected to continue to increase under the current funding constraints and program limitations.

Surplus/(Deficit)* in Total Revenue Funding for 2006-07, 2007-08, and 2008-09 (Projected)			
County	2006-07	2007-08	2008-09 (Projected)
Los Angeles	(\$1,475.93)	(\$2,838.68)	(\$5,025.59)
Alameda	(\$296.88)	\$155.24	(\$348.22)
Orange	\$444.77	\$154.27	(\$12.03)
Riverside	\$1,340.15	\$1,664.02	\$87.10
San Bernardino	(\$931.01)	(\$65.79)	\$1,057.58
San Diego	Budget Data Unavailable		
Ventura	\$421.51	\$1,285.85	\$167.74

*Based on surplus/(deficit) of Per Capita Total Expenses referenced in Table 51, subtracted from the per capita total revenue funding referenced in Table 47

Surplus/(Deficit) in Total Revenue Funding for 2006-07, 2007-08, and 2008-09 (Projected)

Comparative JCS Program Student Population

We collected data from the comparison group for ADA and average daily population (ADP). For LACOE, ADP is a measure of student attendance collected by the Probation department to measure the total population average per day for the facility. It is important to note that all COE JCS programs record ADP in different ways: some calculate it on an average monthly enrollment, while others use a daily attendance provided by their county's Probation Department. LACOE provided average monthly enrollment (ADE) for comparison. We could not compare these student attendance measurements among the comparison COEs because there is no established standard to collect and record this data.

The two measures of student attendance, ADA and ADP, and do not measure what the costs of the JCS program will be in a year. For LACOE's JCS program, expenditures are based on the following factors: U.S. DOJ MOA, student population, established facility limitations, and collective bargaining contract limitations. For other COEs, different expenditure recording practices are used based upon local decisions and allocations.

The JCS programs in the comparative group reported similar percentages of special education populations, and would be expected to be facing similar problems such as LACOE in terms of providing services. It is important to note that LACOE is below the group's average in 2008-09, but only two other COEs provided this data, and that the 2008-09 special education data is a projection, not actual data. In addition, although LACOE's percentages may be below some of

the comparison COEs special education percentages, the large population of LACOE's JCS program creates an increased burden on LACOE. LACOE is providing special education services to a larger number of students, and this translates to an increase in required staff and services.

Comparative JCS Program Fees

LACOE and most other COEs in the comparative review do not bill school districts in the county for JCS program costs that are in excess of the revenue provided by the state and federal governments. San Diego COE is the exception to this statement because they have an agreement with local school districts to charge for some costs for educating certain groups of students.

Comparative JCS Program Facilities

Unlike school districts that have a high degree of control over the facilities in which they operate, LACOE essentially has no control over the size and number of classrooms, nor the configuration in the juvenile hall and camp schools. Probation staff makes the decision on appropriate class size based on safety and security. Although the class sizes are capped at 17 students in LACOE's certificated teacher bargaining unit agreement and the contract language does not allow for higher class sizes, most facilities are not able to hold classes of 17.

PROPOSED RESIDENTIAL SERVICE FUNDING MODEL

The proposed residential funding model was developed in response to concerns that the current funding system for JCS fails to acknowledge the extraordinary operational constraints of juvenile court schools, the needs of this unique population, and the inadequacy of the revenue limit-based funding model. The model was assembled from data and concepts developed by a variety of agencies, individuals, and School Services of California, Inc.

As stated in the proposed funding model pilot paper, while the structure of the educational service delivery model is generally sound, given the extraordinary needs of JCS students, the extremely high turnover rate, the percentage of special education students enrolled, the more challenging population, and the complicating custody requirements that accompany the delivery of services, the same cannot be concluded for the funding system. The current funding system fails to take into consideration the practical realities of providing services to these students, ranging from the unpredictability of their enrollment and attendance to their vastly different educational needs. LACOE asserts that because of the following factors, the very structure of the current ADA-funding model guarantees that they will not be sufficiently funded. The proposed residential service funding model proposes that because of the high costs of instruction, little to no control over attendance and enrollment, accommodating the safety requirements of the JCS program while providing educational services, COEs are facing growing financial strains in

maintaining their juvenile court schools. The proposed funding model pilot paper proposes that in order to address the deficiencies of the current juvenile court school funding system, the state should establish a court school funding model that stabilizes COE funding by moving away from an ADA-only funding model. Because of the unpredictability of enrollment and attendance in juvenile court school classrooms and the requirement to staff classrooms regardless of student enrollment and attendance levels on any given day, a new model should provide funding levels that are less sensitive to day-to-day attendance fluctuations. A bed-unit enhancement to the ADA model system would greatly stabilize local funding levels.

This model, which borrows from concepts raised in Stanford University's 2007 study, *Getting Down to Facts: School Finance and Governance in California*, authored by Susanna Loeb, Anthony Bryk, and Eric Hanushek, recognizes the full complement of teaching staff, support staff, materials and supplies, and administrative overhead that is needed to offer instruction to a complement of students residing at a juvenile hall or other court school setting. These variables can be adjusted to meet the needs of the program.

The residential funding model was developed as a notional model to be used to present a new idea and way of thinking about funding the program. When this model was developed, one of its goals was to present a way to close the deficit gap. This model was created using the actual deficit and ADA for LACOE for 2006-07. In LACOE's reported budget data, the budget deficit for 2006-07 was \$6,228,847. The state certified ADA for 2006-07 was 4,220.30.

Because the notional model was created to close the gap of funding received by the state for LACOE's JCS program, the funding received would only supplement the base revenue limit to allow the JCS program to break even, not generate extra revenue. As the model has evolved and been revised, it does not accurately account for the SELPA revenue received by each classroom which affects the total underfunded amount and additional funding per ADA amount referenced in the model. The model, which is a work in progress, should be revised to correctly reflect all revenues and expenditures. It is important to understand that because this model was created to subsidize the funding received, the actual dollar amounts indicated for each variable are not necessarily correct because the variables were derived at a certain point in time with the explicit goal to close the deficit. The ADA variable used in the model accounts for the actual ADA funded, but does not account for the actual number of students in school each day because of the way ADA is calculated. If a student is in attendance for every day of the 12 month program, one student would earn 1.37 ADA per year, but because of the nature of the JCS program, the range of student incarceration varies; many students are in a transient status, attending school for a fraction of the 12 month program. As a result, in order to calculate the number of bed units needed, it is important that the model is revised to reflect the number of students actually in attendance, not the number of ADA. If the model was to be implemented, more research and data collection should occur in order to obtain the most current and correct variable information.

Based upon the original model, the following additional funding was calculated as needed to implement the bed unit enhancement model: the 17-bed unit enhancement model would require \$12,684,826.26, the 15-bed unit enhancement model would require \$19,497,290.50, and the 20-bed unit enhancement would require \$5,021,112.70. Based upon the current budget information provided by LACOE, the additional funding needed (the difference between revenues and expenditures) is as follows: for 2006-07: \$6,228,867.38 (\$1,475.93 per ADA times 4220.30 ADA = \$6,228,867.38), for 2007-08: \$11,238,277.35 (\$2,838.68 per ADA times 3,958.98 = \$11,238,277.35), and for 2008-09: \$20,120,452.12 (\$5,025.59 per ADA [estimated] times 4,003.60 ADA [estimated] = \$20,120,452.12). As the model continues to evolve, it should be revised to reflect these actual amounts.

This proposal is not complete, and the variables used in the model are not necessarily reflective of actual contributions required to meet the needs of LACOE's JCS program. This proposal is a notional model, and should be revised to reflect actual variable amounts such as SELPA contributions, teacher salaries, and special education costs.

It is most important to recognize that this funding model cannot be implemented without legislation to allow this model to be implemented or at least tested and establishing a pilot program. The current version of LACOE's proposed funding model, if implemented, should be revised to reflect all the potential variables of expenditure and revenue when developing the formula. The proposed funding model was developed as a sample of a type of model, based on bed unit enhancement, and was not created as a final funding model for LACOE's JCS program. Because of this, it would not be appropriate to compare actual projected revenues and expenditures, and those per capita amounts between the current ADA-funding model, and the proposed residential services funding model.

At this time, it is a notional model of how reform could look. In order for the proposed residential service funding model to be implemented, it would require legislation and appropriation of a much higher level of funding. In the short term, it is highly unlikely that the state will adopt this change.

Currently, there is a bill number and author Senate Bill 698 (Negrete McLeod) for changes to JCS funding; however, it is a work in progress and doesn't currently address the need for additional funding.

35 RECOMMENDATIONS

In an effort to improve LACOE's JCS program, the Los Angeles County Comprehensive Education Reform Committee was convened at the request of Los Angeles County Board of Supervisors. The result of the Comprehensive Education Reform Committee's work is reflected

in the 35 Recommendations. The current ADA-funding model used by the state grants a base revenue limit per ADA. The residential funding model was developed as a notional model to be used to present a new idea and way of thinking about funding the program. When this model was developed, one of its goals was to present a way to close the deficit gap. This model was created using the actual deficit and ADA for LACOE for 2006-07.

The proposed residential services delivery model notional model was developed to attempt to eliminate the deficit that LACOE has incurred as a result of a disparity of funding versus actual expenditures. If the 35 recommendations will require funding, it has not been considered in the notional model.

As referenced previously, LACOE's JCS program is facing a structural deficit under the current ADA-funding model, and the proposed residential delivery model is not intended to generate additional discretionary revenue. The purpose of the proposed residential delivery model is to put in place a funding model to allow for the LACOE JCS program to receive enough revenue to be able to deliver the required programs and staffing. As a result, any of the 35 Recommendations that are contained in the Los Angeles County Comprehensive Education Reform Committee's report that require additional staff, programs, or any funding, cannot be implemented without increasing the deficit in LACOE's JCS program, or providing an additional revenue stream.

SSC was not asked to cost out the 35 Recommendations, and because they are unique to LACOE, funding is not included in the proposed residential service funding model, or in state legislation. While SSC was not asked to cost out the Recommendations, it is obvious that virtually all Recommendations would have implied costs and would require additional funding, or would be implemented at the cost of increasing LACOE's current structural imbalance

CONCLUSION

In summary, LACOE faces a fiscal challenge stemming from chronic underfunding by the state and federal government and the requirement to provide educational services to students with some of the highest needs. Revenue limit income, which provides the majority of revenue to the JCS program, is not adequate to serve student needs. In addition to the underfunding of the program, the state is further reducing revenue to the program for the current and next fiscal year. There are internal and external factors that create higher costs in LACOE's JCS program. We discuss these factors throughout the report in the areas of collective bargaining agreements, high number of facilities to serve students, physical facility limitations, and the U.S. DOJ MOA requirements. LACOE has a continued commitment and requirement to educate JCS students and does not appear to be in a position to make reductions in expenditures due to internal and external compliance requirements.

Specific recommendations are identified throughout this report, and we recommend that LACOE and Probation consider the feasibility of implementing any or all recommendations. It is neither feasible nor advisable to immediately implement all recommendations. Rather, a schedule should be developed that prioritizes the recommendations, identifies the responsible person(s), provides human and budgetary resources, and establishes a timeline for completion of each item.

Current Funding for California JCS Programs

Funding for JCS programs in California is provided to COEs through various sources. The funding model is unusual and very different from the funding models used to support other public agencies.

There are three major categories of revenues provided to COEs for JCS funding. The sources are discussed in the sections below.

Revenue Limit

Revenue limits are the prime component of every COE JCS budget. The dollar amounts per pupil are the same for every COE.

Local educational agencies (LEAs) (i.e., school districts and COEs) are the only public agencies in California that are funded based upon the population they serve and “seat time” in the classroom.

Cities, counties, and special districts do not receive more or less income because of a change in their population; they generate or receive specific dollar amounts and spend within that amount.

Only LEAs have a variable in total funding based upon attendance in the classroom. As a consequence, a COE with growth in ADA, not enrollment, will have growth in its total revenue limit income from one school year to the next.

A COE’s total revenue limit is the calculation of the base revenue limit multiplied by ADA and represents an entitlement that will be funded by state aid. The amount received in revenue limit is dictated by student attendance in the classroom; however, the costs for operating programs and providing services are dictated by the requirement to provide an appropriate education to all students without regard to funding or costs.

Each year, the COE’s revenue limit entitlement may be increased by a cost-of-living adjustment (COLA) that is established in accordance with the requirements of state law. The COLA for COEs is based upon a calculation of governmental expenditure price increases from one year to the next, and this percentage of the COLA increase is multiplied by the revenue limit for COE’s court schools. In fiscal year 2008-09, although the COLA is calculated to be 5.66%, instead JCS revenue limits are reduced by 7.84%. In fiscal year 2009-10, COEs are entitled to an estimated COLA of 5.02% but the revenue limit will be further reduced to a total of 13.36%. The reduction to revenue limit funding by the state will have a significant impact on all LEAs, effectively providing less than 87¢ on the dollar.

LACOE uses updated assumptions when revising its adopted budget and multiyear projections to ensure that revenue limit rates and calculations are made based on the most current information available. Upon our review of LACOE's JCS revenue limit calculations, we find that the assumptions used were based upon State Budget information provided to all LEAs and are reasonable.

Revenue limit funding is generated when students attend school. Each day a child is in school, a portion of ADA is earned. ADA translates into dollars and it is the largest source of revenue for the JCS program.

Federal Revenue Sources

Title I and special education funding are among the largest federal funding sources for the JCS program.

LACOE receives special education Individuals with Disabilities Education Act (IDEA)—PL 101-476 (formerly 94-142)—funding. Prior to the Standardized Account Code Structure (SACS), school agencies accounted for program revenues and expenditures in one program for special education, which included both federal and state funding.

Under IDEA, the federal government agreed to supplement LEAs' costs with 40% funding support. The federal government has not been providing adequate levels of support in this area, and, in a typical year, provides only 10%-12% funding to LEAs.

Beginning in the 2002-03 fiscal year, the state now requires a test of the maintenance of effort (MOE) for federal expenditures, which is extracted into the state software at the time the unaudited actuals and budgets are prepared. This MOE test will verify that the COE is meeting its MOE compliance by expending at least what was expended in the prior year. As part of this calculation, the Goal Range 5000-5999, special education, will be used to determine MOE compliance. Therefore, the expenditures that are accounted for in Resources 3000-5999 will be excluded for compliance determination. There are two tests in each year: current-year budget versus unaudited actuals, and prior-year actuals versus current-year actuals.

The impact of failing to meet MOE is the loss of federal funding and loss of the amount from state and local funds that the COE failed to spend to maintain MOE.

Other State Revenue Sources

In addition to the income that is derived primarily from the COE's revenue limit, local agencies also receive funding for selected student needs. These "need-based" revenues are provided to

local agencies to address specified needs as determined generally by the state of California. The funding for these types of programs is “restricted,” meaning that it may not be expended as determined by the local agency, but must be expended for the categories as determined by the state.

One of the largest categorical programs in California is for special education services. Special education funding is currently based on a rate per unit of ADA. While funding was previously distributed based upon selected service needs for special education students, a new funding model that began in 1998-99 gives local agencies the ability to operate programs in a much more flexible manner and removes some of the incentives—and disincentives—that were inherent in the old special education funding model.

The state does not provide enough funding support to LEAs and has, on average, underfunded LEAs by approximately 30% annually.

Impact of Current Funding Sources

Every public educational agency in California must ensure that every special education student receives an appropriate educational program regardless of the costs. LACOE participates in special education funding as an independent agency called a Special Education Local Plan Area (SELPA). Total special education funding does not cover the entire cost of providing special education services, and all California LEAs contribute unrestricted General Fund money to ensure that special education needs are met. This unrestricted contribution to cover the full costs of special education is sometimes called “encroachment,” “mandated local contribution,” “subsidy,” or some similar term. Regardless of which term is used, this amount is funded by a LEA and represents costs that are required to meet the costs of the special education program. COEs are in a unique position as it relates to the type of funding they receive. The bulk of their funding comes to them in the form of restricted dollars to operate other state programs. COEs generally do not have unrestricted dollars to subsidize or offset the entire cost of providing special education services to students in JCS programs.

The revenue limit funding model only provides money when students are physically attending school; it does not provide support for the staffing that must be in place each and every day in anticipation of students coming to learn and it does not consider the fact that students in the JCS program may have higher-than-average absences in order to attend court hearings or due to safety or security risks determined by Probation staff.

Federal and Other State revenues are substantially underfunded and further compound the inequity between revenues received and programs required.

The JCS program, including services to special needs students, has cost more for LACOE to operate than it receives in revenue. The encroachment and negative fund balance in the JCS program has continued to grow. As a result, the requirements and costs of the program continue to place pressure on LACOE's fiscal solvency.

LACOE JCS Program Background and History

LACOE's JCS program must provide services to a large and diverse student population, approximately 13,662 students in 2007-08. As a result, the JCS program must be able to meet the varying requirements of instruction and services to students. Currently all JCS programs statewide are funded under the ADA revenue limit model, which funds a calculated juvenile court school revenue limit per ADA earned. As juvenile court schools have grown over time and continue to serve a more seriously affected population requiring more mental health services and more serious offenders, this model has become deficient in providing adequate funding to JCS programs to meet the needs of students.

In addition to difficulties with the ADA-funding model, LACOE's JCS program has also faced other challenges in meeting the needs of its students. According to the United States Department of Justice's (DOJ's) Eighth Monitoring Report, on November 8, 2000, the DOJ initiated an investigation of confinement practices, health, mental health, and education services provided to minors at the three Los Angeles County Juvenile Halls, pursuant to the Civil Rights of Institutionalized Persons Act (CRIPA), 42 U.S.C. of 1997, and the Violent Crime Control and Law Enforcement Act of 1994, 42 U.S.C., section 14141. SSC has read and reviewed the Los Angeles County Comprehensive Education Reform Committee's report and the Memorandum of Understanding (MOU) between LACOE and Los Angeles County Probation Department to understand the implications of the report and MOU on LACOE's JCS program.

On April 9, 2003, the DOJ submitted a "Findings" letter to the Los Angeles County Board of Supervisors, outlining 66 areas requiring remedial attention by the Department of Health Services—Juvenile Court Health Services (JCHS), Department of Mental Health (DMH), Probation, and LACOE.

On March 9, 2004, the DOJ provided the County with an assessment of its progress toward reform and proffered a settlement agreement to the County and LACOE in recognition of ongoing efforts to ameliorate concerns raised during the investigation to date.

On August 24, 2004, the DOJ, the Los Angeles County Board of Supervisors, and LACOE approved and fully executed the final settlement agreement entitled, "Agreement between the United States, Los Angeles County and the Los Angeles County Office of Education." (Hereafter, this document shall be referred to as the Agreement, or Memorandum of Agreement [MOA]). The MOA allows the County and LACOE to address the areas of concern over a three-year period under the supervision of a mutually agreed-upon project monitoring team which includes experts in the fields of psychiatry, mental health, medicine, safety and sanitation, juvenile justice programs, juvenile detention practices, and education. The facilities covered by

the MOA include the Barry J. Nidorf (BJNJH), Central (CJH), and Los Padrinos Juvenile Halls (LPJH).

Since 2003, LACOE has been working towards addressing and complying with the provisions of the MOA, which required scheduled compliance monitoring of the program and facilities by an outside identified monitoring team, as well as internal monthly audits performed by LACOE's Division of Internal Audits and Analysis (IA&A). LACOE was identified as the lead agency for paragraphs 46-50 according to the Action Plan, which details what the County and LACOE intend to follow to comply with the terms of the settlement agreement between the DOJ, the County of Los Angeles, and LACOE. Though LACOE is not the lead department on each provision, it is an integral part of many of the other provisions. For example, in paragraph 9, Mental Health, Probation, and Juvenile Court Health Services, are identified as the lead departments for meeting the provision, but as defined in the action plan, "the County and LACOE shall develop and implement a system for LACOE to refer youth for mental health services when such needs have been identified by LACOE personnel."

To comply successfully with the terms of the Agreement, all provisions must be in "Substantial Compliance" for one full year. LACOE has made substantial progress in meeting and complying with the provisions of the Agreement, and the IA&A monthly audits are scheduled to continue through December 2009, and will decrease in frequency to an annual basis thereafter.

As of the DOJ's Eighth Semi-Annual Monitoring Report for the monitoring period of March 2008 through August 2008, a total of 56 provisions are in Full Compliance or Substantial Compliance Monitoring as defined in the MOA. The County and LACOE have achieved Full Compliance or Substantial Compliance Monitoring in all monitoring areas of the MOA.

All 26 paragraphs currently in Substantial Compliance Monitoring must complete the one-year requirement on or before August 24, 2009, to fulfill the terms of the Agreement.

As a result of the MOA and work to be in compliance, LACOE was required to hire additional staff to address findings in areas such as assessment, treatment planning, and record keeping. In addition, LACOE has worked extensively with the County Department of Mental Health, and the County Probation Department to comply with the MOA findings, providing support and services as required to meet the provisions of the MOA. As a result, additional staff, resources, programs, and facilities were required to meet the MOA compliance, and all of these factors increased expenses for LACOE's JCS program. Without receiving any increases to revenues, LACOE's JCS program has incurred structural funding imbalances that lead to an ongoing deficit. The impact of this structural funding imbalance will be further discussed in the Budget Review and Comparative Review sections of this report.

Significant factors that are unique to LACOE and impact its ability to provide JCS services will be addressed in this report include:

1. U.S. DOJ Memorandum of Agreement
2. ADA Revenue Limit Funding Model
3. Student Population
4. Established Facility Limitations
5. Collective Bargaining Contract Limitations

LACOE's Use of JCS Program Funds

The scope of work required an evaluation of LACOE's use of JCS funds to provide JCS program services at the juvenile hall and camp schools. LACOE uses JCS program resources to provide salaries, benefits, materials, and supplies for direct and indirect support to the juvenile hall and camp schools.

Education Code Section 41010 requires LEAs to follow the procedures in the *California School Accounting Manual* (CSAM) to record its revenues and expenditures. We found LACOE adheres to this requirement. LACOE also uses the Standardized Account Code Structure (SACS) to classify its financial activities. SACS is a uniform and comprehensive chart of accounts used by all LEAs in California. Although SACS is used by all LEAs, there is local control over the use of some components of SACS.

LACOE accounts for revenues and expenditures utilizing the guidance in the CSAM. LACOE has a comprehensive Chart of Accounts and utilizes the Goal and Location to account for JCS expenditures. The Goal Code tracks "who" is being served. LACOE has four Goals identified for JCS. They are:

- 36000 Juvenile Courts, Administration
- 36005 Juvenile Courts, Camps
- 36007 Juvenile Courts, Residential Community Educational Centers
- 36008 Juvenile Courts, Halls

In addition to using SACS Goals to track "who" is being served, LACOE has Location Codes to track expenses by school or site. JCS sites all begin with "39" e.g., 3972, which identifies the site as Los Padrinos Principal Administrative Unit (PAU). This is a different identifying cost location than is used for Community Day Schools. Community Day Schools cost locations or site begins with a "37" e.g., 3709, which identifies the site as Community Day School.

Revenues are tracked by Resource Code which is the program or project for which the funds are allocated. When revenue is received by a COE, it is deposited by Fund and Resource. The revenue is not identified by Goal or Location. This is standard throughout LEAs.

LACOE and other counties do not align revenues to location because it is not a requirement and does not generally serve a purpose to track funds in this way.

Expenditures and revenues related to revenue limit funding for JCS are identified by the following Resources and Goals shown in Table 1. (LACOE utilizes a fifth digit to further define some Resources and Goals.)

LACOE JCS Program Revenue Limit Funding Resources and Goals	
Resources	
Juvenile Court Schools	24100
JCS Lottery, Unrestricted	11001
JCS Lottery, Restricted	630016
Various small local grants:	939xx (39 identifies JCS)
Goals	
JCS central administration	36000
Camps	36005
Residential Community Education Centers	36007
Halls	36008
Source: LACOE provided data	

**Table 1: LACOE JCS Program Revenue Limit Funding
Resources and Goals**

LACOE also uses the school site SACS field to separate revenues and expenditures into budget management areas, called cost centers or locations. JCS program budget units are identified by the 39xx series of cost centers. Some budget items are managed by principals and are budgeted at the Principal's Administrative Unit (PAU) level, e.g., Central Juvenile Hall is identified by cost center 3933. Other items, including revenue, division administration, and categorical expenditures, are budgeted in a central cost location, 3901. Categorical funding for expenditures (for example, instructional materials, AB 825, Foster Youth) applicable to the JCS program can be identified by cost location 39xx.

The JCS program and Community Day Schools programs belong to separate divisions; Community Day Schools programs are part of the Division of Alternative Education (DAE), a separate and unique division from the Division of Juvenile Court Schools which oversees all JCS programs. Expenditures and revenues are recorded in separate and distinct SACS accounts, except for special education services (see below). Revenues and expenditures for Community Day Schools programs are identified by Resource 24300, Goal 35500. Cost centers 37xx are used for all programs in DAE.

In order to evaluate the appropriateness and completeness of LACOE's JCS program staff allocated to the JCS program, SSC reviewed the position control process by comparing the position control reports (HRS F26 Report) for the related JCS resource codes and location

numbers identified in LACOE's Chart of Account to the 2008-09 staff list for Barry J. Nidorf PAU which SSC received independent of the position control information. Based upon the evaluation of staff on the 2008-09 staff list from Barry J. Nidorf PAU, all staff listed on the staff list was found to be coded correctly in the position control documents to the Barry J. Nidorf PAU. In addition, SSC did not find any extraneous staff coded to the Barry J. Nidorf PAU in the position control documents reviewed.

LACOE special education services are provided by a separate division, LACOE SELPA, to provide special education services to LACOE JCS and Alternative Education students. At the end of the fiscal year, costs for special education in excess of special education revenues are distributed to JCS and Alternative Education programs based on the services provided to students in each program. LACOE SELPA expenditures and revenues are identified by Resource 65001 and the appropriate special education Goals as defined in SACS.

RECOMMENDATIONS

1. LACOE should continue to use CSAM guidance to account for revenues and expenditures of JCS funding.
2. LACOE should continue to use the SACS and track expenditures by Goal and Location.

Budgeting

BUDGET DEVELOPMENT

Budget development is a dynamic process that integrates the educational goals of the LEA with a finite source of revenues. The budget is a policy document—as well as a fiscal document—that allocates limited and valuable resources to best meet these goals. The budget establishes the expenditure practices of the LEA and provides the road map for management and staff to follow during the course of the year. Once a sound budget has been developed, the document and resulting actions that follow should reflect LACOE's educational philosophy and priorities, and its financial strengths and needs.

The development of the JCS budget does include input from and participation by the superintendent, cabinet members, COE business officials, site and program directors, and the educational staff.

Our review of the budget development process involved a review of budgets, interim reports, and supporting documents developed for the JCS budget. Our review focus was directed toward how the budget assumptions and calculations were prepared.

LACOE's General Accounting staff projects the ending balances in February of each year as part of its preparation of the 2nd Interim report for the California Department of Education. Revenue is calculated based on current budgeted ADA figures, multiplied by the current revenue limit rate, with the appropriate COLA and any deficit factors applied. A deficit factor occurs when the state cannot fund the entire COLA.

Although budgeted salaries and benefits are based on active positions, vacancies and the unspent monies associated with them do not reduce the budget. The projection must be adjusted to more accurately reflect annual spending. Salary and benefits expenditures are projected by identifying the actual expenditures for one month, multiplying this figure by the remaining number of months in the fiscal year, and adding this to the year-to-date actual expenditures, thus providing a full year's projected salaries and benefits.

Expenditure estimate forms are distributed to LACOE managers to provide full-year projections for supplies, services, and direct support costs, as the managers have current knowledge of program activity and circumstances. The managers complete the forms and return them to General Accounting. Projected indirect support costs are applied based on the total projected expenditures.

Once the revenue and expenditure projections have been reviewed and confirmed, the surplus or deficit for the current year is added to the prior year's actual ending balance to arrive at the current-year projected ending balance.

Indirect costs are charged to categorical programs at the lower rate allowed by the grant, or the state-approved indirect rate. Indirect has been charged to LACOE revenue limit programs at a fixed rate, which was 6.25% prior to 2008 fiscal year, 6.75% for 2008. Indirect expense follows the state SACS definition of indirect costs. For 2008, the following other indirect costs were allocated to LACOE programs by the methods shown in Table 2.

Indirect Cost Allocations	
Cost Center Allocated	Allocation Method
Personnel Commission	Percent of total classified salaries
Personnel Services	Percent of total salaries
Certificated Recruitment	Percent of total certificated salaries
Labor Relations	Percent of total agency FTE (Full time equivalent positions)
Building and Operations	Percent of square footage occupied at the Downey facility, and percent of site maintenance service requests
Records Storage	Allocated by number of boxes of materials stored
Pupil Attendance Accounting (PAA)	Charged to the ADA- generating programs by documented PAA staff time

Source: LACOE provided data

Table 2: LACOE Indirect Cost Allocations

Costs of agency-wide administration are recorded as indirect expense. Administration of the JCS program (division director, dedicated fiscal staff) is charged as a direct cost to the program central budget.

BUDGET MONITORING

Monitoring the budget on a timely basis enables management to gauge financial performance in relation to educational goals. The budget document is not static, and many new financial decisions must be made during the course of the year. Budget amendments that should be contemplated include whether to allocate new or unexpected income received during the year, unallocate budget savings and reallocate these dollars to other projects and programs, change expenditure patterns when headed toward fiscal insolvency, or redirect funding to higher priority projects. LACOE should be able to project, with reasonable accuracy, the net ending balances during the preparation of each budget version, from the adopted budget through the interim budget reports to the estimated actuals. Revisions should be made to update any revenue estimates to actuals throughout the year.

In reviewing the budgets, interim reports, and unaudited actuals for prior years, we noted that the JCS program has experienced changes in the ending balance as estimated for the year in operation. This is mostly because of significant variances in expenditures between what was planned and what came to fruition, and it has occurred in certain areas of expenditure within the budget.

LACOE's projections for revenue have differences between what was projected for receipt and amounts that were actually received when the fiscal year was completed.

There are variances in all major categories of expenditure in the budget in 2006-07 and 2007-08. Data for 2008-09 is provided in the Revenue and Expenditure portion of the review; however, the fiscal year is still underway and actual expenditures will not be known until September 2009.

LACOE budgets conservatively when estimating expenditures throughout the year. The result has been that expenditures are budgeted higher than what actually occur. LACOE has experienced difficulty in accurately projecting the JCS program costs, but the costs are consistently higher than the revenues.

RECOMMENDATIONS

1. LACOE should update the budgeted numbers, at a minimum, on a quarterly basis so budgeted numbers reflect expected expenditures.

LACOE JCS Program Revenues and Expenditures

In order to obtain LACOE's JCS revenues and expenditures, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing). LACOE provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools.

Based upon verifiable information such as contract language, number of facilities and physical facility constraints, agreements with the DOJ, and limitations in serving students, it does not appear that LACOE has booked any expenditures that are inappropriate, but again, because the data from LACOE was derived from other sources and used to complete the forms and data information for comparison, there are no obvious inappropriate expenditures.

Currently LACOE does not bill back to school districts for services rendered to students. Per California Education Code Section 48645.2, "the county board of education shall provide for the administration and operation of juvenile court schools established pursuant to Section 48645.1." As a result, school districts are not required in Education Code to provide reimbursement to COEs that provide education services. If a COE wishes to seek reimbursement from the student's resident school district, an agreement must be created, such as a Memorandum of Understanding (MOU). In the comparative group, San Diego is the only county that has an agreement with its school districts and SELPAs to bill special education services back to the districts. Any type of negotiations for an MOU to bill districts for services would be exceedingly difficult in light of current State Budget and education funding deficits.

LACOE's JCS program budget for salary and benefits is driven by a position control system, where position numbers are maintained in the Business Office, employees are hired into authorized positions by Human Resources, and employees in authorized positions are paid through appropriate payroll procedures. The budget for salary and benefit costs is most accurate when the public agency is able to accurately estimate the cost of step and column movement, across-the-board salary increases, and expected savings from retirements and position vacancies that occur during the year. Recent experiences of LEAs in dire fiscal trouble show that, without position control, expenditures can quickly exceed budgeted levels and contribute to financial problems. Therefore, position control is one of the most critical areas requiring management's attention in any district.

LACOE uses a product called PC Budget, which serves as the budget module of the Human Resource Systems (HRS) system. The primary objective of PC Budget is to help LACOE

develop, monitor, and maintain its budgets. It uses the actual HRS data from the Position Control Data Base (PCDB), Employee Data Base (EDB), and Control Data Base (CDB) modules to project estimated annual salary and employee benefit costs for current as well as future fiscal years. This data is also used to generate salary and employee benefit encumbrances for FTS positions and model the impact of various fiscal scenarios. In addition to containing HRS data from the PCDB, EDB, and CDB modules, PC Budget contains LACOE's expenditure, revenue, and general ledger account strings along with associated budgetary and actual balances from PeopleSoft (financial systems software). It links each position and assignment active at some point during the fiscal year to associated PeopleSoft financial data.

Although PC Budget operates on a different platform than HRS and PeopleSoft, it is intrinsically connected to both systems via inbound and outbound interfaces. Position Control is an optional module of HRS that supports the PC Budget module. It is maintained by LACOE's fiscal staff and is used to help manage salary and employee benefit costs which comprise an average of 83.87% of LACOE's JCS program budget. Regular, monthly substantial positions are budgeted using FTE. If Human Resources (HR) attempts to build an assignment for which there is not an associated position or that will exceed available FTE, the system will not allow the user to complete the transaction until sufficient FTE is made available. Hourly, daily, limited-term, and other non-permanent positions are budgeted using a lump sum dollar amount. Whenever actual expenditures exceed 80% of the position lump sum dollar amount, the position will appear on the Position Control Discrepancy Report with other positions that require the attention of budget and HR staff. The EDB module is maintained by HR staff and contains data for all employees and non-employees who have a personnel, retirement, or payroll relationship to LACOE.

Cost controls over salaries and benefits are essential for ongoing fiscal stability. Despite negotiated contractual commitments, there are opportunities to save money. LACOE should continue to regularly evaluate overtime usage, health and welfare benefit purchasing arrangements, use of substitute time, and benefit eligibility rosters.

The measurement used by SSC to determine the difficulties in projecting budget was to compare LACOE's estimated actuals to the unaudited actuals for 2006-07 and 2007-08. The estimated actuals are budgeted numbers in May or June of LACOE's fiscal year and is the last benchmark measurement before the end of the fiscal year (June 30). In 2008-09 the benchmark measurement was the adopted budget (July 1) to the first interim reporting period (October 31).

Certificated and classified salaries and employee benefits are the largest expense for LACOE's JCS program. In 2006-07, 2007-08, and estimated for 2008-09, LACOE expended on average, 83.87% of the JCS expenditures on salaries and benefits. Based on the DOJ MOA, collective bargaining agreements, and the number of students in juvenile halls and camp schools, it is not expected that the JCS program can decrease the number of certificated and classified staff.

Salary and benefit expenses will continue to grow which will increase the structural imbalance and deficit spending in LACOE's JCS program.

For certificated salaries, classified salaries, and employee benefits, LACOE uses the following process to allocate funds:

- In January of each year, a process is initiated to review all positions in the operational budget to determine if there are any additions or deletions to the requested budget for the ensuing fiscal year that begins on July 1.
- All additions/deletions for requested positions are approved by the JCS Regional Director, the Director of JCS, the Assistant Superintendent of Educational Programs, the Controller, and the Superintendent of Schools prior to inclusion in the developmental budget, which is presented to the Board of Education in approximately May or June of each year.
- The salary and benefits are then rolled up into the consolidated budget using the state-mandated format and brought to LACOE's Board for approval and adoption prior to July 1 of each fiscal year.
- The budget is then submitted to the California Department of Education (CDE) for review and approval.
- Subsequent to CDE approval, changes to positions in the adopted budget, i.e. requests for additional positions, are subject to the same approval process: JCS Regional Director, the Director of JCS, the Assistant Superintendent of Educational Programs, the Controller, and the Superintendent of Schools. These changes are incorporated into a budget revision (BR), which is presented to LACOE's Board for review and adoption.
- LACOE's policy related to overtime requires prior approval by the Director of JCS, and Assistant Superintendent of Educational Programs, review by the Executive Cabinet, and final approval by the Superintendent of Schools.
- LACOE's HRS system and financial system are not fully integrated. However, LACOE uses separate applications, e.g., PC Budgets, PC Labor, and Position Control to project salary savings.

In reviewing LACOE's JCS program budget data for 2006-07, 2007-08, and 2008-09, it was observed that there were some difficulties in projecting salaries and benefits for staff and in other expenditure areas of the budget.

The information that follows provides, by fiscal year, the differences between estimated actuals and unaudited actuals for all major categories of revenues and expenditures in the JCS program. (For the 2008-09 year, the differences are between the adopted budget and the first interim reporting period.) The differences are provided in both a dollar amount and as a percentage.

In 2006-07, certificated salaries were reported at 3.09% less in the unaudited actuals than from the estimated actuals, while classified salaries came in 14.43% less in the unaudited actuals. Employee salaries were overestimated, and at the time of the unaudited actuals were 7.67% less than what was budgeted in the estimated actuals. These discrepancies indicate that LACOE is not updating the JCS budget at a point in the year when it should have a better estimate of revenues and expenses. Additionally, books and supplies expenses came in 44% lower than what was budgeted in the estimated actuals. LACOE should be able to better project the year-end expenses at this point. The sharp changes in salaries and other expenses could cause greater problems if they were underestimated, resulting in a larger deficit.

The same pattern continues in 2007-08, with overestimates in projecting salaries, benefits, books and supplies, and other operating services. Certificated salaries were 11.99% lower than the estimated actuals, and books and supplies expenditures were recorded 50.61% less in the unaudited actuals. LACOE should work to better project these expenses to ensure it is providing an accurate budget and following best practices to update the budget on a continuous basis.

In order to evaluate the appropriateness and completeness of LACOE's JCS program staff allocated to the JCS program, SSC reviewed the position control process by comparing the position control reports (HRS F26 Report) for the related JCS resource codes and location numbers identified in LACOE's Chart of Account to the 2008-09 staff list for Barry J. Nidorf PAU which SSC received independent of the position control information. Based upon the evaluation of staff on the 2008-09 staff list from Barry J. Nidorf PAU, all staff listed on the staff list was found to be coded correctly in the position control documents to the Barry J. Nidorf PAU. In addition, SSC did not find any extraneous staff coded to the Barry J. Nidorf PAU in the position control documents reviewed.

In 2008-09, only the adopted budget and first interim reporting period data were available, and based on this preliminary data, LACOE appears to be doing an adequate job of projecting revenues and expenditures; however, the accuracy of the estimates will be known when the fiscal year closes.

Although there are variances in the budget projections as compared to actual expenditures at the end of the year, and improvements can be made in projecting revenues and expenditures in the JCS program budget, the biggest concern and area that continues to require immediate attention is the structural deficit in the program. Each and every year the JCS program costs exceed the revenue and the deficit continues to grow.

The focus in reviewing the tables should not be on the budget-to-actuals variances, but should be on the fact that the current funding model does not provide enough revenue to cover the costs of providing services to students in the JCS program. LACOE is providing the services, yet there is no additional funding to support the expenses. As LACOE worked to become compliant with the final settlement agreement, staff and programs additions to the JCS program were necessary, requiring additional funding. For example, from July 2005 to February 2009, SELPA staff at Barry J. Nidorf PAU increased from 10 to 36 staff members as a result of meeting the stipulations set forth in the agreement. Without additional new funding, LACOE must rely upon current revenue streams to fund the increases in staff. In addition, the annual external audit does not audit to the level of JCS resource.

LACOE's General Accounting staff projects the ending balances in February of each year as part of its preparation of the 2nd Interim report for the California Department of Education. Revenue is calculated based on current budgeted ADA figures, multiplied by the current revenue limit rate, with the appropriate COLA and any deficit factors applied. A deficit factor occurs when the state cannot fund the entire COLA.

Although budgeted salaries and benefits are based on active positions, vacancies and the unspent monies associated with them do not reduce the budget. The projection must be adjusted to more accurately reflect annual spending. Salary and benefits expenditures are projected by identifying the actual expenditures for one month, multiplying this figure by the remaining number of months in the fiscal year, and adding this to the year-to-date actual expenditures, thus providing a full year's projected salaries and benefits.

Expenditure estimate forms are distributed to LACOE managers to provide full -year projections for supplies, services, and direct support costs, as the managers have current knowledge of program activity and circumstances. The managers complete the forms and return them to General Accounting. Projected indirect support costs are applied based on the total projected expenditures.

The following Tables 3, 4, and 5 show LACOE's JCS program budget revenues and expenditures. Table 6 provides a summary of 2006-07, 2007-08, and 2008-09 unaudited actuals data with the year-over-year changes.

2006-07 LACOE JCS Program Budget—Revenues and Expenditures					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$46,067,295	\$46,067,295	\$46,428,035	\$360,740	-
Federal Revenue	\$3,383,296	\$3,942,833	\$2,597,404	(\$1,345,429)	-
State Revenue	\$2,043,443	\$2,892,510	\$2,870,331	(\$22,179)	-
Other Local Revenue	\$5,416	\$4,916	\$453,678	\$448,762	-
Contributions/Subsidies	\$1,833,139	\$1,833,139	\$840,025	(\$993,114)	-
Total Revenues	\$53,332,589	\$54,740,693	\$53,189,473	(\$1,551,220)	(2.83%)
Certificated Salaries	\$30,519,979	\$33,958,562	\$32,908,638	(\$1,049,924)	(3.09%)
Classified Salaries	\$6,225,756	\$7,003,659	\$5,992,945	(\$1,010,714)	(14.43%)
Employee Benefits	\$11,339,236	\$12,380,589	\$11,431,542	(\$949,047)	(7.67%)
Books and Supplies	\$2,423,848	\$2,715,819	\$1,839,386	(\$876,433)	(32.27%)
Services, Other Oper	\$3,611,224	\$3,773,880	\$2,113,188	(\$1,660,692)	(44.00%)
Capital Outlay	\$51,000	\$162,476	\$84,899	(\$77,577)	(47.75%)
Other Outgo	\$0	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$5,522,096	\$6,667,323	\$5,047,722	(\$1,619,601)	(24.29%)
Total Expenditures	\$59,693,139	\$66,662,308	\$59,418,320	(\$7,243,988)	(10.87%)
Budget Surplus/(Deficit)	(\$6,360,550)	(\$11,921,615)	(\$6,228,847)	\$5,692,768	47.75%

Source: Budget data provided by LACOE

Table 3: 2006-07 LACOE JCS Program Budget—Revenues and Expenditures

In 2006-07, expenditures exceeded revenues by \$6,228,847 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—Deficit Spending: \$6,228,847

2007-08 LACOE JCS Program Budget—Revenues and Expenditures					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$45,883,922	\$41,006,197	\$43,204,186	\$2,197,989	-
Federal Revenue	\$2,784,752	\$2,465,726	\$1,926,320	(\$539,406)	-
State Revenue	\$2,790,592	\$3,797,034	\$2,820,384	(\$976,650)	-
Other Local Revenue	\$300	\$2,850	\$133,667	\$130,817	-
Contributions/Subsidies	\$1,817,591	\$1,817,591	\$2,441,042	\$623,451	-
Total Revenues	\$53,277,157	\$49,089,398	\$50,525,599	\$1,436,201	2.93%
Certificated Salaries	\$35,550,710	\$37,613,397	\$33,102,631	(\$4,510,766)	(11.99%)
Classified Salaries	\$7,108,995	\$7,987,548	\$6,739,481	(\$1,248,067)	(15.63%)
Employee Benefits	\$12,558,595	\$13,383,913	\$11,852,723	(\$1,531,190)	(11.44%)
Books and Supplies	\$2,061,999	\$3,199,393	\$1,580,184	(\$1,619,209)	(50.61%)
Services, Other Oper	\$3,778,912	\$4,432,524	\$2,908,417	(\$1,524,107)	(34.38%)
Capital Outlay	\$506,000	\$191,171	\$126,676	(\$64,495)	(33.74%)
Other Outgo	\$0	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$6,159,873	\$6,648,318	\$5,453,747	(\$1,194,571)	(17.97%)
Total Expenditures	\$67,725,084	\$73,456,264	\$61,763,859	(\$11,692,405)	(15.92%)
Budget Surplus/(Deficit)	(\$14,447,927)	(\$24,366,866)	(\$11,238,260)	\$13,128,606	53.88%

Source: Budget data provided by LACOE

Table 4: 2007-08 LACOE JCS Program Budget—Revenues and Expenditures

In 2007-08, expenditures exceeded revenues by \$11,238,260 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—Deficit Spending: \$11,238,260

2008-09 LACOE JCS Program Budget Projected Revenues and Expenditures				
	Adopted Budget	First Interim (Estimated Actuals)	Difference 1 st Interim and Adopted Budget	% Difference 1 st Interim and Adopted Budget
Revenue Limit	\$43,680,098	\$42,902,486	(\$777,612)	-
Federal Revenue	\$2,693,516	\$2,632,878	(\$60,638)	-
State Revenue	\$1,173,332	\$2,372,843	\$1,199,511	-
Other Local Revenue	\$4,000	\$5,065	\$1,065	-
Contributions/Subsidies	\$2,218,660	\$2,218,660	\$0	-
Total Revenues	\$49,769,606	\$50,131,932	\$362,326	0.73%
Certificated Salaries	\$37,765,331	\$37,668,032	(\$97,299)	(0.26%)
Classified Salaries	\$7,559,722	\$7,360,792	(\$198,930)	(2.63%)
Employee Benefits	\$13,187,858	\$13,137,384	(\$50,474)	(0.38%)
Books and Supplies	\$2,160,279	\$2,124,709	(\$35,570)	(1.65%)
Services, Other Oper	\$4,167,366	\$4,610,681	\$443,315	10.64%
Capital Outlay	\$13,000	\$13,000	\$0	0.00%
Other Outgo	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$5,631,359	\$5,337,783	(\$293,576)	(5.21%)
Total Expenditures	\$70,484,915	\$70,252,381	(\$232,534)	(0.33%)
Budget Surplus/(Deficit)	(\$20,715,309)	(\$20,120,449)	\$594,860	2.87%
Source: Budget data provided by LACOE				

Table 5: 2008-09 LACOE JCS Program Budget—Projected Revenues and Expenditures

In 2008-09, projected expenditures exceed revenues by \$20,120,449 (First Interim Report Revenue less First Interim Report Expense)—Deficit Spending: \$20,120,499

Table 6 details, by major object number, all JCS revenue and expenses for fiscal years 2006-07, 2007-08, and 2008-09. Revenue declined in 2007-08 from 2006-07 and is projected to decline

slightly in 2008-09 when compared to 2007-08. Some of the decline in revenue can be attributed to the decline in ADA earned.

While we don't see material shifts between line items, the budget for almost every category of expense is increasing year over year from 2006-07, to 2007-08, and 2008-09.

When we look at the budget data from 2006-07 through 2008-09, we see that LACOE consistently budgets conservatively when estimating expenditures throughout the year. The result has been that expenditures are budgeted higher than what actually occur. LACOE has experienced difficulty in accurately projecting the JCS program costs, but the costs are consistently higher than the revenues. This holds true in 2008-09, as expenditures are budgeted at almost \$8.4 million more than 2007-08. We would expect that as 2008-09 closes out, the expenditures will be revised to reflect actual expenditures which will be more similar to 2007-08.

The expenditure side of the budget has grown year over year. Total expenses rose 3.95% in 2007-08 when compared to 2006-07 and are projected to increase 13.74% in 2008-09 when compared to 2007-08. The biggest dollar increases in the 2008-09 budget are for salaries and benefits. LACOE continues to add expenses for additional staffing and substitute salary account to cover assignments when teachers or other staff are absent and on paid leave.

The books and supplies account is budgeted for higher expenses than in 2006-07 and 2007-08. This is due mostly to carryover amounts in the lottery account not spent in previous years.

The services, other operating expenses are budgeted for significantly higher expenses in 2008-09 when compared to 2006-07 and 2007-08 and LACOE attributes the increases to changes in accounting for expenses previously reported in the Indirect/Direct Support category. Other increases in the category are for a new custodial services agreement with Probation and contract services with the Management Information Systems (MIS) Unit.

The Capital Outlay budget is significantly lower in 2008-09 when compared to unaudited actuals from 2006-07 and 2007-08.

Indirect/Direct Support is slightly lower in 2008-09 when compared to prior years' expenditures. This is mainly due to changes in accounting and tracking expenses, which has changed from this category of expense to Services, Other Operating Expenses.

LACOE has added positions and other expenses to the budget in order to provide services to JCS students; clearly, these additions will result in higher costs to the program. LACOE uses approved staffing allocations to fill vacant positions. If additional positions are required for the JCS program, the request and supporting documentation goes through many levels of review, which includes a review by the Superintendent. There are positions in the JCS program that are

multifunded (funded by more than one resource, because the positions have responsibilities outside of the JCS program). An example of this is a teacher who spends a portion of time performing work for the DAE and spends the balance of time doing work for the JCS. We found these positions to be coded and expenses properly and proportionately to each program.

LACOE JCS Program 2006-07, 2007-08, and 2008-09 Revenue and Expenditure Detail

	A	B	C	D	E	F	G
	2006-07 Unaudited Actuals	2007-08 Unaudited Actuals	Difference (B-A)	Percent Difference (B-A)	2008-09 First Interim	Difference (E-B)	Percent Difference (E-B)
Revenue Limit	\$46,428,035	\$43,204,186	(\$3,223,849)	-	\$42,902,486	(\$301,700)	-
Federal Revenue	\$2,597,404	\$1,926,320	(\$671,084)	-	\$2,632,878	\$706,558	-
State Revenue	\$2,870,331	\$2,820,384	(\$49,947)	-	\$2,372,843	(\$447,541)	-
Other Local Revenue	\$453,678	\$133,667	(\$320,011)	-	\$5,065	(\$128,602)	-
Contributions/ Subsidies	\$840,025	\$2,441,042	\$1,601,017	-	\$2,218,660	(\$222,382)	-
Total Revenues	\$53,189,473	\$50,525,599	(\$2,663,874)	-5.01%	\$50,131,932	(\$393,667)	-0.78%
Certificated Salaries	\$32,908,638	\$33,102,631	\$193,993	0.59%	\$37,668,032	\$4,565,401	13.79%
Classified Salaries	\$5,992,945	\$6,739,481	\$746,536	12.46%	\$7,360,792	\$621,311	9.22%
Employee Benefits	\$11,431,542	\$11,852,723	\$421,181	3.68%	\$13,137,384	\$1,284,661	10.84%
Books and Supplies	\$1,839,386	\$1,580,184	(\$259,202)	-14.09%	\$2,124,709	\$544,525	34.46%
Services, Other Oper	\$2,113,188	\$2,908,417	\$795,229	37.63%	\$4,610,681	\$1,702,264	58.53%
Capital Outlay	\$84,899	\$126,676	\$41,777	49.21%	\$13,000	(\$113,676)	-89.74%
Other Outgo	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%
Indirect/Direct Suppt	\$5,047,722	\$5,453,747	\$406,025	8.04%	\$5,337,783	(\$115,964)	-2.13%
Total Expenditures	\$59,418,320	\$61,763,859	\$2,345,539	3.95%	\$70,252,381	\$8,488,522	13.74%

Source: Budget data provided by LACOE

Table 6: LACOE JCS Program 2006-07, 2007-08, and 2008-09 Revenue and Expenditure Detail

LACOE reports that it uses the following process for preparing Estimated Actuals in January of each year to project Total Annual Expenditures through June 30. These Estimated Actuals are used as a basis for Second Interim Reporting.

- Each division director is asked to project total expenditures based on actual expenditures, encumbrances to date, and planned expenditures through the balance of the year.
- LACOE projects salary savings for the year based on actual salaries paid through December 31. The interim report is modified to include the salary savings, even though the budget is not adjusted. Salary savings are re-estimated for June 30 to determine the estimated actuals (beginning balance for next year's budget).
- For the past three fiscal years, accuracy of these projections has been impacted primarily by hiring freezes implemented during the last quarter of the fiscal year due to instability of the budget at the state level.

RECOMMENDATIONS

1. LACOE should initiate discussion with school districts to investigate the possibility of having districts pay for the excess costs to educate JCS students.
2. LACOE should improve the estimates of JCS program expenditures during the year by projecting salary savings due to vacancies through the end of the budget year and make budget adjustments in the financial system to reflect the changes in all areas of expenditures in the JCS program budget.
3. LACOE should review the JCS program budgeted expenses for other operating services in 2008-09 to determine if the budgeted amount as of the first interim reporting period is accurately projected as it has been overbudgeted in previous years.
4. LACOE should carefully monitor the estimated actuals and unaudited actuals to ensure that it is accurately projecting JCS program expenditures.
5. LACOE should work to budget the expenditures at a more accurate level in order to avoid excessive overbudgeting to create a more usable and true budget.
6. LACOE should consider the benefit of budgeting and tracking line item expenditures and revenues by each facility and PAU.
7. LACOE should continue to pursue all possible streams of revenue, such as grants, categorical programs, and any local revenue opportunities.

LACOE JCS Program Structural Deficit

The LACOE JCS program has incurred a structural deficit, or imbalance, that based on current funding available for LACOE, as well as the increasing costs of providing services to students, is projected to continue to grow as displayed in Tables 7, 8, and 9 according to data provided by LACOE. Expenditures in 2006-07, 2007-08, and 2008-09 exceed revenues in the JCS program significantly, with the deficit growing by \$6 million to \$8 million each year. Tables 7, 8, and 9, include total revenues (including all recorded JCS program revenues) including the revenue limit, federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds and total expenditures (including all recorded JCS program expenditures) including certificated salaries, classified salaries, employee benefits, books and supplies, other services, capital outlay, and indirect/direct support.

2006-07 LACOE JCS Program Revenues and Expenditures		
	Adopted Budget	Unaudited Actuals
Total Revenues	\$53,332,589	\$53,189,473
Total Expenditures	\$59,693,139	\$59,418,320
Budget Surplus/(Deficit)	(\$6,360,550)	(\$6,228,847)
Source: Budget data provided by LACOE		

Table 7: 2006-07 LACOE JCS Program Revenues and Expenditures

2007-08 LACOE JCS Program Revenues and Expenditures		
	Adopted Budget	Unaudited Actuals
Total Revenues	\$53,277,157	\$50,525,599
Total Expenditures	\$67,725,084	\$61,763,859
Budget Surplus/(Deficit)	(\$14,447,927)	(\$11,238,260)
Source: Budget data provided by LACOE		

Table 8: 2007-08 LACOE JCS Program Revenues and Expenditures

2008-09 LACOE JCS Program Projected Revenues and Expenditures		
	Adopted Budget	First Interim Estimated Actuals
Total Revenues	\$49,769,606	\$50,131,932
Total Expenditures	\$70,484,915	\$70,252,381
Budget Surplus/(Deficit)	(\$20,715,309)	(\$20,120,449)
Source: Budget data provided by LACOE		

**Table 9: 2008-09 LACOE JCS Program Projected
Revenues and Expenditures**

As shown in Tables 7, 8, and 9, the deficit has grown annually and absent increased revenues, this deficit is likely to continue to increase as LACOE continues to add staff, programs, and materials to the JCS program in order to meet the final settlement agreement—the MOA between U.S. DOJ, Los Angeles County, and LACOE. In 2008-09, it is projected that the structural imbalance will reach more than \$20,000,000, as displayed in Table 9.

Table 10 displays the three-year total of unaudited actual revenues and expenditures, with the difference from year to year as well as the percent change. In the chart we see that revenues decreased by 5.01% from 2006-07 to 2007-08, and 0.78% from 2007-08 to 2008-09. One explanation of this decrease in revenues is the decreased earned and funded ADA (see Tables 54, 55, 56, for total ADA). LACOE's JCS program ADA declined by 261.32 ADA from 2006-07 to 2007-08, and 44.62 ADA (projected) from 2007-08 to 2008-09. This decline in ADA would automatically cause a decrease in funding from the state, recognized as revenue limit funding. This decline would also cause LACOE to lose federal funding such as Title I and special education funding, which are among the largest federal funding sources for the JCS program. These contributing factors can cause a significant decline in revenues for LACOE's JCS program. Over the same period of time, LACOE's JCS program expenditures increased by 3.95% from 2006-07 to 2007-08, and 13.74% (projected) from 2007-08 to 2008-09. These expenditure increases are partly the result of the changes LACOE was required to implement as the COE's section of the DOJ MOA. LACOE was required to increase staff, including teachers and special education staff. As a result, this higher rate of staffing has increased the expenditures for LACOE and does not respond to changes in ADA as it would if the staffing simply accommodated the set number of students. As of February 2007, LACOE had hired 19 certificated and nine additional staff to work directly with three juvenile halls to address the special education related areas of the U.S. DOJ MOA, 15 additional staff members to work in the Student Records Acquisition Unit, and four additional staff members for the DOJ Halls project, plus an additional 2.5 FTE positions authorized to be filled. We found that in 2008-09 a

significant number of certificated and classified positions were added or vacancies filled in the JCS program resulting in budgeted expenditures in salary and benefits to increase by almost \$6.5 million. LACOE attributes the changes mostly to compliance issues and the increased cost of substitutes when personnel is absent and coverage is required. Thus, if ADA continues to decline as projected, LACOE's JCS program will continue to accrue a deficit as fewer students earn ADA and revenue, but the requirements for LACOE as a result of the DOJ MOA remain unchanged.

LACOE JCS Program Unaudited Actuals Revenues and Expenditures for 2006-07, 2007-08, and 2008-09 (Projected)			
	Total Revenues	Total Expenditures	Budget Surplus/(Deficit)
2006-07	\$53,189,473	\$59,418,320	(\$6,228,847)
2007-08	\$50,525,599	\$61,763,859	(\$11,238,260)
Difference from 2006-07 to 2007-08	(\$2,663,874)	\$2,345,539	(\$5,009,413)
Percent Difference from 2006-07 to 2007-08	-5.01%	3.95%	-80.42%
2008-09 First Interim Data	\$50,131,932	\$70,252,381	(\$20,120,449)
Difference from 2007-08 to 2008-09	(\$393,667)	\$8,488,522	(\$8,882,189)
Percent Difference from 2007-08 to 2008-09	-0.78%	13.74%	-79.04%

Source: Budget data provided by LACOE

Table 10: LACOE JCS Program Unaudited Actuals Revenues and Expenditures for 2006-07, 2007-08, and 2008-09 (Projected)

As LACOE worked to become compliant with the final settlement agreement, staff and program additions to the JCS program were necessary, requiring funding. For example, from July 2005 to February 2009, SELPA staff at Barry J. Nidorf PAU increased from 10 to 36 staff members as a result of meeting the stipulations set forth in the agreement (see Appendix A for Barry J. Nidorf PAU staffing information). Without additional new funding, LACOE must rely upon current revenue streams to fund the increases in staff. This puts LACOE in a perilous situation, because in addition to the declining ADA, in 2008-09 and 2009-10, the revenue limit—the largest source of revenue for the JCS program—will be cut dramatically. In 2008-09, the revenue limit will be cut by a total deficit of 7.839%, and it is estimated that in 2009-10, the revenue limit will be cut by 13.360%. These deficits to the revenue limit amount to a considerable cut in per-ADA

revenue. After the loss of COLA for both years, actual funding is further reduced by nearly 4% of the 2007-08 revenue limit. Reductions to the revenue limit will be further discussed in LACOE's Revenue Limit Funding section.

RECOMMENDATIONS

1. LACOE should continue to pursue all possible streams of revenue, such as grants, categorical programs, and any local revenue opportunities.
2. LACOE should continue to streamline the JCS program to ensure that the program is running efficiently to reduce expenditures and maximize the use of available revenues.
3. LACOE should determine if there are other ways to meet the compliance requirements of the U.S. DOJ MOA and eliminate staffing to reduce costs.

LACOE JCS Program Per Capita Measurements

In order to obtain LACOE's JCS revenues and expenditures, SSC requested a survey to be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing). LACOE provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools.

Expenditures and revenues related to revenue limit funding are identified by the following Resources and Goals shown in Table 11. (LACOE utilizes a fifth digit to further define some Resources and Goals.)

LACOE JCS Program Revenue Limit Funding Resources and Goals	
Resources	
Juvenile Court Schools	24100
JCS Lottery, Unrestricted	11001
JCS Lottery, Restricted	63001
Various small local grants:	939xx (39 identifies JCS)
Goals	
JCS central administration	36000
Camps	36005
Residential Community Education Centers	36007
Halls	36008
Source: LACOE provided data	

Table 11: LACOE JCS Program Revenue Limit Funding Resources and Goals

LACOE also uses the school site SACS field to separate revenues and expenditures into budget management areas, called Cost Centers or Locations. JCS program budget units are identified by the 39xx series of cost centers. Some budget items are managed by principals and are budgeted at the PAU level, e.g., Central Juvenile Hall is identified by cost center 3933. Other items, including revenue, division administration, and categorical expenditures, are budgeted in a

central cost location, 3901. Categorical funding (for example, instructional materials, AB 825, Foster Youth) applicable to the JCS program can be identified by cost location 39xx.

The JCS program and Community Day Schools programs are provided by separate divisions, Community Day Schools programs are part of the Division of Alternative Education (DAE), a separate and unique division from the Division of Juvenile Court Schools which oversees all JCS programs. Expenditures and revenues are recorded in separate and distinct SACS accounts, except for special education services. Revenues and expenditures for Community Day Schools programs are identified by Goal 35500. Cost centers 37xx are used for all programs in DAE.

In order to fully understand the structural imbalance that LACOE's JCS program is faced with, it is necessary to calculate the per student, or per capita, revenue and expense. Because LACOE's JCS program receives the majority of its funding from the revenue limit, with a small percentage of the remainder of funding derived from other sources such as federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds, we felt it was important to see the structural imbalance of the revenue limit funding compared to expenditures on a per capita basis, as well as the total revenues received compared to expenditures on a per capita basis. Revenue limits are the prime component of every LACOE's JCS program budget. The dollar amounts per pupil are the same for every COE. Table 12 displays the revenue limit received by LACOE's JCS program from the state for 2006-07, 2007-08, and 2008-09 (projected).

LACOE JCS Program Total Revenue Limit Funding per unit of ADA for 2006-07, 2007-08, and 2008-09 (Projected)		
2006-07	2007-08	2008-09 (Projected)
\$9,100.23	\$9,512.51	\$9,263.03
Source: California Department of Education		

**Table 12: LACOE JCS Program Total Revenue Limit Funding
per unit of ADA for 2006-07, 2007-08, and 2008-09 (Projected)**

Table 13 displays the per capita total revenues received per student. We calculated per capita revenues received by LACOE, which included all revenues recorded by LACOE for incarcerated youth: revenue limit, federal revenue, state revenue, other local revenue, and contributions from other funds. These total revenues were provided by LACOE. The per capita calculation was done by using the ADA number (the number of students funded) as the divisor of total revenues.

LACOE JCS Program Total Revenues* and Total Annual ADA** for 2006-07, 2007-08, 2008-09 (Projected)			
	Total Revenues	Annual ADA	Per Capita Revenues
2006-07	\$53,189,473	4,220.30	\$12,603.24
2007-08	\$50,525,599	3,958.98	\$12,762.28
2008-09 (Projected)	\$50,131,932	4,003.60	\$12,521.71
*Total Revenues include contributions/subsidies.			
**All data provided by counties. Total Revenues are from 2006-07 and 2007-08 Unaudited actuals, and 2008-09 First Interim Estimated Actuals.			

Table 13: LACOE JCS Program Total Revenues and Total Annual ADA for 2006-07, 2007-08, 2008-09 (Projected)

Table 14 shows the calculation for the expenditures on a per capita basis. We calculated per capita expenditures by LACOE, including all expenditures recorded by LACOE for incarcerated youth: certificated salaries, classified salaries, employee benefits, books and supplies, services and other operating expenses, capital outlay, other outgo, and indirect/direct support. The per capita calculation was done by using the ADA number (the number of students funded) as the divisor of total revenues.

LACOE JCS Program Total Expenditures* and Total Annual ADA** for 2006-07, 2007-08, 2008-09 (Projected)			
	Total Expenditures	Annual ADA	Per Capita Expenditures
2006-07	\$59,418,320	4,220.30	\$14,079.17
2007-08	\$61,763,859	3,958.98	\$15,600.95
2008-09 (Projected)	\$70,252,381	4,003.60	\$17,547.30
*All data provided by counties. Total Expenditures are from 2006-07 Unaudited actuals.			
**All data provided by counties. Total Expenditures are from 2006-07 and 2007-08 Unaudited actuals, and 2008-09 First Interim Estimated Actuals.			

Table 14: LACOE JCS Program Total Expenditures and Total Annual ADA for 2006-07, 2007-08, 2008-09 (Projected)

When the per capita calculations are completed, it is easy to see how large the structural imbalance is, and how much it impacts the way LACOE is able to operate its JCS program at a student level. As shown in Table 15, it is projected that for 2008-09, there is a structural deficit of more than \$8,200, meaning the expenditures are projected to be \$8,284.27 more per student than the projected revenue limit funding received. Calculated using the 2008-09 projected annual

ADA of 4,003.60, ($\$8,284.27 \times 4,003.60$), it is projected that the structural imbalance for 2008-09 could reach \$33,166,903.37 when evaluating revenue limit funding alone.

LACOE JCS Program Per Capita Total Expenses and Revenue Limit Funding* for 2006-07, 2007-08, and 2008-09 (projected)				
	Per Capita Expense (per ADA)	Increase	Revenue Limit Funding Per ADA	Difference Between Revenue Limit Funding and Expenditures
2006-07	\$14,079.17	N/A	\$9,100.23	(\$4,978.94)
2007-08	\$15,600.95	\$1,521.78	\$9,512.51	(\$6,088.44)
2008-09 (projected)	\$17,547.30	\$1,946.35	\$9,263.03	(\$8,284.27)

*Revenue Limit funding established by state of California

Table 15: LACOE JCS Program Per Capita Total Expenses and Revenue Limit Funding for 2006-07, 2007-08, and 2008-09 (projected)

Though the revenue limit is the majority of revenue received by any JCS program, it is important to consider all revenue received. Table 16 displays the structural imbalance between total per capita expenses and total per capita revenues received (which include the revenue limit, federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds). It is projected that in 2008-09, LACOE's JCS program per capita revenues will fall short of covering the per capita expenditures by \$5,025.59 per ADA. This translates to an imbalance of revenues and expenditures of more than \$20,000,000 ($\$5,025.59 \times 4,003.60 = \$20,120,452.12$). It is not possible for LACOE, or any COE to subsidize such a large structural deficit, especially as the deficit continues to grow.

LACOE JCS Program Per Capita Total Expenses and Total Revenue for 2006-07, 2007-08, and 2008-09 (projected)				
	Per Capita Expense (per ADA)	Increase	Per Capita Total Revenue* (per ADA)	Difference Between Total Revenue Funding and Expenditures per ADA
2006-07	\$14,079.17	N/A	\$12,603.24	(\$1,475.93)
2007-08	\$15,600.95	\$1,521.78	\$12,762.28	(\$2,838.68)
2008-09 (projected)	\$17,547.30	\$1,946.35	\$12,521.71	(\$5,025.59)
*Revenue based on 2006-07, 2007-08, Unaudited actuals data and 2008-09 First Interim data and include contributions/subsidies				

Table 16: LACOE JCS Program Per Capita Total Expenses and Total Revenue Funding for 2006-07, 2007-08, and 2008-09 (projected)

Revenues decreased by 5.01% from 2006-07 to 2007-08, and 0.78% from 2007-08 to 2008-09. One explanation of this decrease in revenues is the decreased earned and funded ADA (see Tables 54, 55, and 56 for total ADA). LACOE's JCS program ADA declined by 261.32 ADA from 2006-07 to 2007-08, and 44.62 ADA (projected) from 2007-08 to 2008-09. This decline in ADA would automatically cause a decrease in funding from the state recognized as revenue limit funding. This decline would also cause LACOE to lose federal funding such as Title I and special education funding which are among the largest federal funding sources for the JCS program. These contributing factors can cause a significant decline in revenues for LACOE's JCS program. Over the same period of time, LACOE's JCS program expenditures increased by 3.95% from 2006-07 to 2007-08 and 13.74% (projected) from 2007-08 to 2008-09. These expenditure increases are partly the result of the changes LACOE was required to implement as the COE's section of the DOJ MOA. LACOE was required to increase staff, including teachers and special education staff. As a result, this higher rate of staffing has increased the expenditures for LACOE and does not respond to changes in ADA as it would if the staffing simply accommodated the set number of students. As of February 2007, LACOE had hired 19 certificated and nine additional staff to work directly with three juvenile halls to address the special education related areas of the U.S. DOJ MOA, 15 additional staff members to work in the Student Records Acquisition Unit, and four additional staff members for the DOJ Halls project, plus an additional 2.5 FTE positions authorized to be filled. We found that in 2008-09 a significant number of certificated and classified positions were added or vacancies filled in the JCS program resulting in budgeted expenditures in salary and benefits to increase by almost \$6.5 million. LACOE attributes the changes mostly to compliance issues and the increased cost of substitutes when personnel is absent and coverage is required. Thus, if ADA continues to

decline as projected, LACOE's JCS program will continue to accrue a deficit as fewer students earn ADA and revenue, but the requirements for LACOE as a result of the DOJ MOA remain unchanged.

RECOMMENDATIONS

1. LACOE should continue to pursue all possible streams of revenue, such as grants, categorical programs, and any local revenue opportunities.
2. LACOE should continue to streamline the JCS program to ensure that the program is running efficiently to reduce expenditures and maximize the use of available revenues.
3. LACOE should determine if there are other ways to meet the compliance requirements of the U.S. DOJ MOA, and, if possible, eliminate staffing to reduce costs.

LACOE JCS Program Revenue Limit Funding

Revenue limits are the prime component of every COE JCS budget. The dollar amounts per pupil are the same for every COE. Revenue limit funding is generated when students attend school. Each day a child is in school, a portion of ADA is earned. ADA translates into dollars and it is the largest source of revenue for the JCS program. A COE's total revenue limit is the calculation of the base revenue limit multiplied by ADA and represents an entitlement that will be funded by state aid. The amount received in revenue limit is dictated by student attendance in the classroom; however, the costs for operating programs and providing services are dictated by the requirement to provide an appropriate education to all students without regard to funding or costs.

In 2008-09 and 2009-10, the revenue limit—the largest source of revenue for the JCS program—will be cut dramatically. In 2008-09, the revenue limit will be cut by a total deficit of 7.839%, and it is estimated that in 2009-10 the revenue limit will be cut by 13.360%. These deficits to the revenue limit amount to a considerable cut in per-ADA revenue. After the loss of COLA for both years, actual funding is further reduced by nearly 4% of the 2007-08 revenue limit.

All COEs receive the same amount of revenue limit funding from the state of California. Table 17 provides information on the last fully funded base year for the JCS revenue limit. The information on the 2007-08 JCS revenue limit is provided to explain the impact of State Budget cuts to a program that was not sustainable at the previous funding levels.

2007-08 LACOE JCS Program Revenue Limit	
2007-08 Funded Revenue Limit per unit of ADA	\$9,512.51
2007-08 ADA (Annual Certified)	3,956.12
Total Funded Revenue Limit	\$37,632,631.06
Source: California Department of Education	

Table 17: 2007-08 LACOE JCS Program Revenue Limit

2008-09 LACOE JCS Program Revenue Limit	
Base Revenue Limit (w/COLA) per unit of ADA	\$10,050.92
Deficit (COLA and Revenue Limit)	7.839% (or \$787.89)
Funded Revenue Limit per unit of ADA	\$9,263.03
Increase/(Decrease) per unit of ADA from 2007-08 funded Revenue Limit	(\$249.48)
Source: California Department of Education	

Table 18: 2008-09 LACOE JCS Program Revenue Limit

2009-10 LACOE JCS Program Revenue Limit (Projected)	
Base Revenue Limit (w/COLA)per unit of ADA	\$10,555.48
Deficit (COLA and Revenue Limit)	13.86% (or \$1,410.22)
Funded Revenue Limit per unit of ADA	\$9,145.26
Increase/(Decrease) per unit of ADA from 2007-08 funded Revenue Limit	(\$367.25)
Increase/(Decrease)per unit of ADA from 2008-09 funded Revenue Limit	(\$117.76)
Source: California Department of Education	

Table 19: 2009-10 LACOE JCS Program Revenue Limit (Projected)

It is estimated that in 2008-09, the revenue limit per ADA will be cut by \$249.48 per ADA from 2007-08 (see Table 18). In 2009-10, an even larger cut is projected of \$367.25 per ADA from 2007-08 (see Table 19). Based on the newly enacted 2008-09 and 2009-10 State Budget, the revenue limit will be deficit for at least two years.

2008-09 LACOE's Projected Loss of Total JCS Program Revenue Limit Funding	
(A) 2008-09 Base JCS Revenue Limit per unit of ADA	\$10,050.92
(B) 2007-08 Annual JCS ADA	3,956.12
(C) Estimated Total JCS Revenue Limit (AxB)	\$39,762,645.63
(D) Funded 2008-09 JCS Revenue Limit per unit of ADA (with deficit applied)	\$9,263.03
(E) 2007-08 Annual JCS ADA	3,956.12
(F) Total JCS Projected Revenue Limit (DxE)	\$36,645,658.24
(G) Increase/(Decrease) Total Revenue Limit with Deficit applied (C-F) (Loss in Funding)	(\$3,116,987.39)
Source: California Department of Education	

Table 20: 2008-09 LACOE's Projected Loss of Total JCS Program Revenue Limit Funding

Table 20 shows the projected loss in revenue limit funding for LACOE's JCS Program.

The current revenue limit funding for LACOE's JCS program is not sustainable or effective for LACOE to be able to run a financially sound JCS program, even with a fully funded revenue limit. With the high cost of educating JCS students further impacted by restrictions on the facilities, class size, separation of students, and requirements of the U.S. DOJ settlement agreement, the state JCS revenue limit does not provide sufficient funding for the JCS program. As LACOE's JCS program revenue limit, along with all JCS revenue limits, is cut for current and next year, LACOE will be required to provide services at the same level no matter how much state JCS revenue limit decreases. LACOE cannot simply cut services or decrease the number of JCS program students, but must backfill this gap in funding with LACOE's general fund dollars.

RECOMMENDATIONS

1. LACOE should pursue legislation that would increase JCS funding to cover the costs of operating the program.

Comparative Review

As part of this review, six COE JCS programs were surveyed in order to gather comparative data, including budget, staffing, and program comparisons: Alameda County Office of Education (ACOE), Orange County Department of Education (OCDE), Riverside County Office of Education (RCOE), San Bernardino County Superintendent of Schools (SBCSS), San Diego County Office of Education (SDCOE), and Ventura County Office of Education (VCOE).

One important finding of the comparative review is the uniqueness of each juvenile court school. As we analyzed the data, we found that due to factors such as budgeting practices, per capita costs, student population, JCS physical facility limitations, number of facilities, collective bargaining agreements, and other mitigating factors, it is difficult to compare JCS programs in different COEs. In addition, these various factors directly affect the way a COE is able to operate a JCS program. In the following section we will discuss these factors as well as provide comparative analysis of the JCS programs. In order to obtain LACOE's and the comparative counties' JCS expenditures and revenue, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in revenue and expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing). LACOE and the comparative counties provided this data for Juvenile Court Schools. Budget data for each camp and hall was not provided by COEs or LACOE in a manner that could be used for comparison. COEs are not required to budget by each site. Though some COEs did provide very basic information of total expenditures and total revenues, they were not allocated by site, or with any detail in order to compare the funding allocation.

Comparative JCS Program Revenues and Expenditures

The following tables display the revenues and expenditures for all counties in the comparison group. San Diego COE was unable to provide JCS budget data in a comparable format and is not included in the revenue and expenditure portion of the review.

LACOE and other COEs provided the JCS program data by completing a lengthy survey. The budget information for individual programs and resources is not reported in this manner and cannot be easily manipulated or generated by COEs. In order to complete the detailed information regarding JCS program revenues and expenditures, COEs designated staff to this non-routine assignment. The funding allocation for revenue limit ADA is the same in the respect that all COEs receive the same base revenue limit amount of funding from the state. This funding

is then allocated based upon state requirements and program requirements unique at every COE. As the data was reported by the COEs, revenues are recorded as one of four types: revenue limit, state and local, federal, and other. This funding is then used according to its type for categorized expenditures such as salaries, benefits, books and supplies, and capital outlay, etc. The JCS revenue limit is consistent for all COEs. Some COEs reported differences in total revenue limit funding received because of prior-year adjustments to correct for changes in ADA and that COEs can access other grants, categorical programs, and local revenue opportunities—if available or if the COE is eligible—to increase revenues, but this is provided and allocated based on local practice. The JCS program survey used was dependent on subjective interpretation by each comparative COE.

This section provides, by fiscal year, each COE JCS program's adopted budget, estimated actuals, unaudited actuals, and the differences between what was estimated in May or June of a fiscal year as compared to the unaudited actuals when the fiscal year ended and all revenues and expenditures for the fiscal year were recorded and finalized.

Each COE JCS program had variances between what was budgeted and what came to fruition in fiscal years 2006-07 and 2007-08. In the current fiscal year, 2008-09, data provided shows only the differences between the adopted budget and the first interim reporting period. Estimated actuals data and unaudited actuals will not be known until close to and at the end of the fiscal year.

Tables 39 and 40 provides, by COE JCS program, summary information that demonstrates variances from what was budgeted to what actually was realized in revenues and expenditures.

Table 41 provides JCS program summary information on the current fiscal year from the adopted budget to the first interim reporting period. Alameda and Ventura COE JCS programs have not made adjustments in revenues and expenditures from the adopted budget to the first interim reporting period.

Please note that because of the differences in budgeting practices across COEs, there are some cases in which comparable data is not available. In the following comparative section, N/A will be used in tables in order to denote that data is "Not Available."

2006-07 LACOE JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$46,067,295	\$46,067,295	\$46,428,035	\$360,740	-
Federal Revenue	\$3,383,296	\$3,942,833	\$2,597,404	(\$1,345,429)	-
State Revenue	\$2,043,443	\$2,892,510	\$2,870,331	(\$22,179)	-
Other Local Revenue	\$5,416	\$4,916	\$453,678	\$448,762	-
Contributions/Subsidies	\$1,833,139	\$1,833,139	\$840,025	(\$993,114)	-
Total Revenues	\$53,332,589	\$54,740,693	\$53,189,473	(\$1,551,220)	(2.83%)
Certificated Salaries	\$30,519,979	\$33,958,562	\$32,908,638	(\$1,049,924)	(3.09%)
Classified Salaries	\$6,225,756	\$7,003,659	\$5,992,945	(\$1,010,714)	(14.43%)
Employee Benefits	\$11,339,236	\$12,380,589	\$11,431,542	(\$949,047)	(7.67%)
Books and Supplies	\$2,423,848	\$2,715,819	\$1,839,386	(\$876,433)	(32.27%)
Services, Other Oper	\$3,611,224	\$3,773,880	\$2,113,188	(\$1,660,692)	(44.00%)
Capital Outlay	\$51,000	\$162,476	\$84,899	(\$77,577)	(47.75%)
Other Outgo	\$0	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$5,522,096	\$6,667,323	\$5,047,722	(\$1,619,601)	(24.29%)
Total Expenditures	\$59,693,139	\$66,662,308	\$59,418,320	(\$7,243,988)	(10.87%)
Budget Surplus/(Deficit)	(\$6,360,550)	(\$11,921,615)	(\$6,228,847)	\$5,692,768	47.75%
Source: Budget data provided by LACOE					
¹ N/A indicates data is not available.					

Table 21: 2006-07 LACOE JCS Program Budget—Revenues and Expenditures

In 2006-07, expenditures exceeded revenues by \$6,228,847 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Deficit Spending: \$6,228,847**

2006-07 ACOE JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$3,230,596	\$3,285,197	\$3,386,392	\$101,195	-
Federal Revenue	\$0	\$0	\$0	\$0	-
State Revenue	\$0	\$0	\$0	\$0	-
Other Local Revenue	\$0	\$0	\$0	\$0	-
Contributions/Subsidies	\$8,017	\$8,017	(\$233,093)	(\$241,110)	-
Total Revenues	\$3,238,613	\$3,293,214	\$3,153,299	(\$139,915)	(4.25%)
Certificated Salaries	\$1,946,619	\$2,064,116	\$2,083,289	\$19,173	0.93%
Classified Salaries	\$424,079	\$418,308	\$335,927	(\$82,381)	(19.69%)
Employee Benefits	\$404,319	\$441,959	\$390,387	(\$51,572)	(11.67%)
Books and Supplies	\$51,000	\$80,700	\$63,310	(\$17,390)	(21.55%)
Services, Other Oper	\$160,806	\$72,556	\$137,114	\$64,558	88.98%
Capital Outlay	\$0	\$0	\$0	\$0	0.00%
Other Outgo	\$0	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$251,790	\$259,234	\$253,745	(\$5,489)	(2.12%)
Total Expenditures	\$3,238,613	\$3,336,873	\$3,263,773	(\$73,100)	(2.19%)
Budget Surplus/(Deficit)	\$0	(\$43,659)	(\$110,474)	(\$66,815)	(153.04%)
Source: Budget data provided by ACOE					
¹ N/A indicates data is not available					

Table 22: 2006-07 ACOE JCS Program Budget—Revenues and Expenditures

In 2006-07, expenditures exceeded revenues by \$110,474 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Deficit Spending: \$110,474**

2006-07 OCDE JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$11,271,235	\$11,778,581	\$11,527,039	(\$251,542)	-
Federal Revenue	\$0	\$0	\$0	\$0	-
State Revenue	\$0	\$0	\$0	\$0	-
Other Local Revenue	\$253,000	\$253,000	\$177,108	(\$75,892)	-
Contributions/Subsidies	\$0	\$0	\$0	\$0	-
Total Revenues	\$11,524,235	\$12,031,581	\$11,704,147	(\$327,434)	(2.72%)
Certificated Salaries	\$6,962,341	\$7,313,673	\$7,365,766	\$52,093	0.71%
Classified Salaries	\$1,019,880	\$852,429	\$766,873	(\$85,556)	(10.04%)
Employee Benefits	\$1,890,550	\$1,952,496	\$1,907,249	(\$45,247)	(2.32%)
Books and Supplies	\$94,832	\$88,102	\$90,812	\$2,710	3.08%
Services, Other Oper	\$87,663	\$97,912	\$81,957	(\$15,955)	(16.30%)
Capital Outlay	\$0	\$6,363	\$6,209	(\$154)	(2.42%)
Other Outgo	\$0	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$907,991	\$930,506	\$922,203	(\$8,304)	(0.89%)
Total Expenditures	\$10,963,257	\$11,241,481	\$11,141,068	(\$100,413)	(0.89%)
Budget Surplus/(Deficit)	\$560,978	\$790,099	\$563,079	(\$227,021)	(28.73%)
Source: Budget data provided by OCDE					
¹ N/A indicates data is not available.					

Table 23: 2006-07 OCDE JCS Program Budget—Revenues and Expenditures

In 2006-07, expenditures exceeded revenues by \$563,079 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Surplus: \$563,079**

2006-07 RCOE JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$5,460,162	Data unavailable	\$5,574,734	N/A	N/A
Federal Revenue	\$0	Data unavailable	\$0	N/A	N/A
State Revenue	\$0	Data unavailable	\$0	N/A	N/A
Other Local Revenue	\$0	Data unavailable	\$0	N/A	N/A
Contributions/Subsidies	\$0	Data unavailable	\$0	N/A	N/A
Total Revenues	\$5,460,162	Data unavailable	\$5,574,734	N/A	N/A
Certificated Salaries	\$2,749,677	Data unavailable	\$2,698,131	N/A	N/A
Classified Salaries	\$405,741	Data unavailable	\$415,475	N/A	N/A
Employee Benefits	\$991,317	Data unavailable	\$930,685	N/A	N/A
Books and Supplies	\$99,429	Data unavailable	\$236,613	N/A	N/A
Services, Other Oper	\$160,510	Data unavailable	\$135,496	N/A	N/A
Capital Outlay	\$0	Data unavailable	\$6,144	N/A	N/A
Other Outgo	\$0	Data unavailable	\$0	N/A	N/A
Indirect/Direct Suppt	\$380,942	Data unavailable	\$331,230	N/A	N/A
Total Expenditures	\$4,787,616	Data unavailable	\$4,753,774	N/A	N/A
Budget Surplus/(Deficit)	\$672,546	Data unavailable	\$820,960	N/A	N/A
Source: Budget data provided by RCOE					
¹ N/A indicates data is not available.					

Table 24: 2006-07 RCOE JCS Program Budget—Revenues and Expenditures

In 2006-07, expenditures exceeded revenues by \$820,960 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Surplus: \$820,960**

2006-07 SBCSS JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$6,903,100	\$6,163,248	\$5,827,905	(\$335,343)	-
Federal Revenue	\$0	\$0	\$0	\$0	-
State Revenue	\$0	\$0	\$0	\$0	-
Other Local Revenue	\$0	\$0	\$0	\$0	-
Contributions/Subsidies	\$0	\$0	\$0	\$0	-
Total Revenues	\$6,903,100	\$6,163,248	\$5,827,905	(\$335,343)	(5.44%)
Certificated Salaries	\$3,150,502	\$3,149,949	\$3,048,467	(\$101,482)	(3.22%)
Classified Salaries	\$1,225,685	\$1,285,534	\$1,146,338	(\$139,196)	(10.83%)
Employee Benefits	\$1,495,200	\$1,401,898	\$1,366,591	(\$35,307)	(2.52%)
Books and Supplies	\$94,445	\$68,913	\$58,629	(\$10,284)	(14.92%)
Services, Other Oper	\$286,560	\$244,499	\$191,661	(\$52,838)	(21.61%)
Capital Outlay	\$20,322	\$20,322	\$20,322	\$0	0.00%
Other Outgo	\$0	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$456,806	\$448,640	\$424,159	(\$24,481)	(5.46%)
Total Expenditures	\$6,729,520	\$6,619,755	\$6,256,168	(\$363,587)	(5.49%)
Budget Surplus/(Deficit)	\$173,580	(\$456,507)	(\$428,263)	\$28,244	6.19%
Source: Budget data provided by SBCSS					
¹ N/A indicates data is not available.					

Table 25: 2006-07 SBCSS JCS Program Budget—Revenues and Expenditures

In 2006-07, expenditures exceeded revenues by \$428,263 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Deficit Spending: \$428,263**

2006-07 VCOE JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$2,321,256	\$1,943,663	\$2,135,517	\$191,854	-
Federal Revenue	\$0	\$0	\$0	\$0	-
State Revenue	\$22,818	\$22,818	\$22,986	\$168	-
Other Local Revenue	\$0	\$0	\$0	\$0	-
Contributions/Subsidies	\$0	\$0	\$0	\$0	-
Total Revenues	\$2,344,074	\$1,966,481	\$2,158,503	\$192,022	9.76%
Certificated Salaries	\$1,131,217	\$1,326,549	\$1,216,736	(\$109,813)	(8.28%)
Classified Salaries	\$169,466	\$143,455	\$142,689	(\$766)	(0.53%)
Employee Benefits	\$381,724	\$429,620	\$403,301	(\$26,319)	(6.13%)
Books and Supplies	\$72,778	\$72,778	\$32,746	(\$40,032)	(55.01%)
Services, Other Oper	\$79,526	\$77,863	\$103,134	\$25,271	32.46%
Capital Outlay	\$0	\$6,200	\$6,155	(\$45)	(0.73%)
Other Outgo	\$0	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$146,594	\$163,816	\$151,699	(\$12,117)	(7.40%)
Total Expenditures	\$1,981,305	\$2,220,281	\$2,056,460	(\$163,821)	(7.38%)
Budget Surplus/(Deficit)	\$362,769	(\$253,800)	\$102,043	\$355,843	140.21%
Source: Budget data provided by VCOE					
¹ N/A indicates data is not available.					

Table 26: 2006-07 VCOE JCS Program Budget—Revenues and Expenditures

In 2006-07, expenditures did not exceed revenues by \$102,043 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Surplus: \$102,043**

2007-08 LACOE JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$45,883,922	\$41,006,197	\$43,204,186	\$2,197,989	-
Federal Revenue	\$2,784,752	\$2,465,726	\$1,926,320	(\$539,406)	-
State Revenue	\$2,790,592	\$3,797,034	\$2,820,384	(\$976,650)	-
Other Local Revenue	\$300	\$2,850	\$133,667	\$130,817	-
Contributions/Subsidies	\$1,817,591	\$1,817,591	\$2,441,042	\$623,451	-
Total Revenues	\$53,277,157	\$49,089,398	\$50,525,599	\$1,436,201	2.93%
Certificated Salaries	\$35,550,710	\$37,613,397	\$33,102,631	(\$4,510,766)	(11.99%)
Classified Salaries	\$7,108,995	\$7,987,548	\$6,739,481	(\$1,248,067)	(15.63%)
Employee Benefits	\$12,558,595	\$13,383,913	\$11,852,723	(\$1,531,190)	(11.44%)
Books and Supplies	\$2,061,999	\$3,199,393	\$1,580,184	(\$1,619,209)	(50.61%)
Services, Other Oper	\$3,778,912	\$4,432,524	\$2,908,417	(\$1,524,107)	(34.38%)
Capital Outlay	\$506,000	\$191,171	\$126,676	(\$64,495)	(33.74%)
Other Outgo	\$0	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$6,159,873	\$6,648,318	\$5,453,747	(\$1,194,571)	(17.97%)
Total Expenditures	\$67,725,084	\$73,456,264	\$61,763,859	(\$11,692,405)	(15.92%)
Budget Surplus/(Deficit)	(\$14,447,927)	(\$24,366,866)	(\$11,238,260)	\$13,128,606	53.88%
Source: Budget data provided by LACOE					
¹ N/A indicates data is not available.					

Table 27: 2007-08 LACOE JCS Program Budget—Revenues and Expenditures

In 2007-08, expenditures exceeded revenues by \$11,238,260 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Deficit Spending: \$11,238,260**

2007-08 ACOE JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$3,500,604	\$3,595,729	\$3,865,313	\$269,584	-
Federal Revenue	\$0	\$0	\$0	\$0	-
State Revenue	\$0	\$0	\$0	\$0	-
Other Local Revenue	\$0	\$0	\$0	\$0	-
Contributions/Subsidies	\$40,045	\$40,045	(\$242,429)	(\$282,474)	-
Total Revenues	\$3,540,649	\$3,635,774	\$3,622,884	(\$12,890)	(0.35%)
Certificated Salaries	\$2,275,891	\$2,356,862	\$2,346,097	(\$10,765)	(0.46%)
Classified Salaries	\$378,237	\$378,237	\$357,007	(\$21,230)	(5.61%)
Employee Benefits	\$450,972	\$459,789	\$438,699	(\$21,091)	(4.59%)
Books and Supplies	\$50,200	\$103,618	\$82,336	(\$21,282)	(20.54%)
Services, Other Oper	\$93,896	\$117,524	\$42,637	(\$74,887)	(63.72%)
Capital Outlay	\$0	\$0	\$0	\$0	0.00%
Other Outgo	\$0	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$291,453	\$306,418	\$293,030	(\$13,388)	(4.37%)
Total Expenditures	\$3,540,649	\$3,722,448	\$3,559,805	(\$162,643)	(4.37%)
Budget Surplus/(Deficit)	\$0	(\$86,674)	\$63,079	\$149,753	172.78%
Source: Budget data provided by ACOE					
¹ N/A indicates data is not available.					

Table 28: 2007-08 ACOE JCS Program Budget—Revenues and Expenditures

In 2007-08, expenditures did not exceed revenues by \$63,079 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Surplus: \$63,079**

2007-08 OCDE JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$12,044,872	\$12,879,939	\$12,639,748	(\$240,191)	-
Federal Revenue	\$0	\$0	\$0	\$0	-
State Revenue	\$0	\$0	\$0	\$0	-
Other Local Revenue	\$396,477	\$396,477	\$293,883	(\$102,594)	-
Contributions/Subsidies	\$0	\$0	\$0	\$0	-
Total Revenues	\$12,441,349	\$13,276,416	\$12,933,631	(\$342,785)	(2.58%)
Certificated Salaries	\$7,223,763	\$8,175,117	\$8,299,373	\$124,256	1.52%
Classified Salaries	\$805,752	\$844,219	\$913,517	\$69,298	8.21%
Employee Benefits	\$1,954,467	\$2,185,999	\$2,184,793	(\$1,206)	(0.06%)
Books and Supplies	\$95,051	\$100,043	\$96,893	(\$3,150)	(3.15%)
Services, Other Oper	\$107,401	\$65,794	\$113,814	\$48,020	72.99%
Capital Outlay	\$0	\$0	\$0	\$0	0.00%
Other Outgo	\$0	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$982,991	\$1,097,318	\$1,120,210	\$22,892	2.09%
Total Expenditures	\$11,169,425	\$12,468,490	\$12,728,600	\$260,110	2.09%
Budget Surplus/(Deficit)	\$1,271,924	\$807,925	\$205,031	(\$602,895)	(74.62%)
Source: Budget data provided by OCDE					
¹ N/A indicates data is not available.					

Table 29: 2007-08 OCDE JCS Program Budget—Revenues and Expenditures

In 2007-08, expenditures did not exceed revenues by \$205,031 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Surplus: \$205,031**

2007-08 RCOE JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$5,897,756	Data unavailable	\$5,359,063	N/A	N/A
Federal Revenue	\$0	Data unavailable	\$0	N/A	N/A
State Revenue	\$0	Data unavailable	\$0	N/A	N/A
Other Local Revenue	\$0	Data unavailable	\$0	N/A	N/A
Contributions/Subsidies	\$136,523	Data unavailable	\$136,523	N/A	N/A
Total Revenues	\$6,034,279	Data unavailable	\$5,495,586	N/A	N/A
Certificated Salaries	\$2,747,956	Data unavailable	\$2,576,831	N/A	N/A
Classified Salaries	\$434,980	Data unavailable	\$470,675	N/A	N/A
Employee Benefits	\$994,777	Data unavailable	\$1,034,256	N/A	N/A
Books and Supplies	\$126,540	Data unavailable	\$80,420	N/A	N/A
Services, Other Oper	\$253,822	Data unavailable	\$157,893	N/A	N/A
Capital Outlay	\$0	Data unavailable	\$0	N/A	N/A
Other Outgo	\$13,472	Data unavailable	\$0	N/A	N/A
Indirect/Direct Suppt	\$287,252	Data unavailable	\$282,949	N/A	N/A
Total Expenditures	\$4,858,799	Data unavailable	\$4,603,024	N/A	N/A
Budget Surplus/(Deficit)	\$1,175,480	Data unavailable	\$892,562	N/A	N/A
Source: Budget data provided by RCOE					
¹ N/A indicates data is not available.					

Table 30: 2007-08 RCOE JCS Program Budget—Revenues and Expenditures

In 2007-08, expenditures did not exceed revenues by \$892,562 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Surplus: \$892,562**

2007-08 SBCSS JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$6,843,357	\$5,360,965	\$5,768,350	\$407,385	-
Federal Revenue	\$0	\$0	\$0	\$0	-
State Revenue	\$0	\$0	\$0	\$0	-
Other Local Revenue	\$0	\$0	\$0	\$0	-
Contributions/Subsidies	\$0	\$678,070	\$47,461	(\$630,609)	-
Total Revenues	\$6,843,357	\$6,039,035	\$5,815,811	(\$223,224)	(3.70%)
Certificated Salaries	\$3,268,537	\$2,997,062	\$2,962,932	(\$34,130)	(1.14%)
Classified Salaries	\$1,302,513	\$1,092,887	\$1,035,273	(\$57,614)	(5.27%)
Employee Benefits	\$1,491,778	\$1,275,393	\$1,224,352	(\$51,041)	(4.00%)
Books and Supplies	\$70,242	\$48,423	\$34,692	(\$13,731)	(28.36%)
Services, Other Oper	\$252,041	\$223,923	\$172,993	(\$50,930)	(22.74%)
Capital Outlay	\$0	\$0	\$0	\$0	0.00%
Other Outgo	\$0	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$457,246	\$429,592	\$413,814	(\$15,778)	(3.67%)
Total Expenditures	\$6,842,357	\$6,067,280	\$5,844,056	(\$223,225)	(3.68%)
Budget Surplus/(Deficit)	\$1,000	(\$28,245)	(\$28,245)	\$0	0.00%
Source: Budget data provided by SBCSS					
¹ N/A indicates data is not available.					

Table 31: 2007-08 SBCSS JCS Program Budget—Revenues and Expenditures

In 2007-08, expenditures exceeded revenues by \$28,245 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Deficit Spending: \$28,245**

2007-08 VCOE JCS Program Budget—Revenues and Expenditures ¹					
	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Revenue Limit	\$1,826,087	\$2,234,657	\$2,527,569	\$292,912	-
Federal Revenue	\$0	\$0	\$0	\$0	-
State Revenue	\$22,818	\$22,818	\$22,110	(\$708)	-
Other Local Revenue	\$0	\$0	\$0	\$0	-
Contributions/Subsidies	\$0	\$0	\$0	\$0	-
Total Revenues	\$1,848,905	\$2,257,475	\$2,549,679	\$292,204	12.94%
Certificated Salaries	\$1,091,835	\$1,226,465	\$1,321,821	\$95,356	7.77%
Classified Salaries	\$175,443	\$182,875	\$184,023	\$1,148	0.63%
Employee Benefits	\$358,757	\$413,912	\$424,056	\$10,144	2.45%
Books and Supplies	\$39,879	\$37,390	\$25,649	(\$11,741)	(31.40%)
Services, Other Oper	\$67,126	\$64,701	\$57,778	(\$6,923)	(10.70%)
Capital Outlay	\$0	\$0	\$0	\$0	0.00%
Other Outgo		\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$167,585	\$186,181	\$194,689	\$8,508	4.57%
Total Expenditures	\$1,900,625	\$2,111,524	\$2,208,016	\$96,492	4.57%
Budget Surplus/(Deficit)	(\$51,720)	\$145,951	\$341,663	\$195,712	134.09%
Source: Budget data provided by VCOE					
¹ N/A indicates data is not available.					

Table 32: 2007-08 VCOE JCS Program Budget—Revenues and Expenditures

In 2007-08, expenditures did not exceed revenues by \$341,663 (Unaudited Actuals Revenue less Unaudited Actuals Expense)—**Surplus: \$341,663**

2008-09 LACOE JCS Program Budget— Projected Revenues and Expenditures ¹				
	Adopted Budget	First Interim (Estimated Actuals)	Difference 1 st Interim and Adopted Budget	% Difference 1 st Interim and Adopted Budget
Revenue Limit	\$43,680,098	\$42,902,486	(\$777,612)	-
Federal Revenue	\$2,693,516	\$2,632,878	(\$60,638)	-
State Revenue	\$1,173,332	\$2,372,843	\$1,199,511	-
Other Local Revenue	\$4,000	\$5,065	\$1,065	-
Contributions/Subsidies	\$2,218,660	\$2,218,660	\$0	-
Total Revenues	\$49,769,606	\$50,131,932	\$362,326	0.73%
Certificated Salaries	\$37,765,331	\$37,668,032	(\$97,299)	(0.26%)
Classified Salaries	\$7,559,722	\$7,360,792	(\$198,930)	(2.63%)
Employee Benefits	\$13,187,858	\$13,137,384	(\$50,474)	(0.38%)
Books and Supplies	\$2,160,279	\$2,124,709	(\$35,570)	(1.65%)
Services, Other Oper	\$4,167,366	\$4,610,681	\$443,315	10.64%
Capital Outlay	\$13,000	\$13,000	\$0	0.00%
Other Outgo	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$5,631,359	\$5,337,783	(\$293,576)	(5.21%)
Total Expenditures	\$70,484,915	\$70,252,381	(\$232,534)	(0.33%)
Budget Surplus/(Deficit)	(\$20,715,309)	(\$20,120,449)	\$594,860	2.87%
Source: Budget data provided by LACOE				
¹ N/A indicates data is not available.				

Table 33: 2008-09 LACOE JCS Program Budget—Projected Revenues and Expenditures

In 2008-09, projected expenditures exceed revenues by \$20,120,449 (First Interim Report Revenue less First Interim Report Expense)—**Deficit Spending: \$20,120,499**

2008-09 ACOE JCS Program Budget— Projected Revenues and Expenditures ¹				
	Adopted Budget	First Interim (Estimated Actuals)	Difference 1 st Interim and Adopted Budget	% Difference 1 st Interim and Adopted Budget
Revenue Limit	\$3,681,218	\$3,718,559	\$37,341	-
Federal Revenue	\$0	\$0	\$0	-
State Revenue	\$0	\$0	\$0	-
Other Local Revenue	\$0	\$0	\$0	-
Contributions/Subsidies	(\$44,855)	(\$44,855)	\$0	-
Total Revenues	\$3,636,363	\$3,673,704	\$37,341	1.03%
Certificated Salaries	\$2,398,124	\$2,480,580	\$82,456	3.44%
Classified Salaries	\$358,527	\$405,664	\$47,137	13.15%
Employee Benefits	\$472,909	\$503,881	\$30,972	6.55%
Books and Supplies	\$61,600	\$70,536	\$8,936	14.51%
Services, Other Oper	\$44,952	\$52,800	\$7,848	17.46%
Capital Outlay	\$0	\$0	\$0	0.00%
Other Outgo	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$300,251	\$302,315	\$2,064	0.69%
Total Expenditures	\$3,636,363	\$3,815,776	\$179,413	4.93%
Budget Surplus/(Deficit)	\$0	(\$142,072)	(\$142,072)	0.00%
Source: Budget data provided by ACOE				
¹ N/A indicates data is not available.				

Table 34: 2008-09 ACOE JCS Program Budget—Projected Revenues and Expenditures

In 2008-09, projected expenditures exceed revenues by \$142,072 (First Interim Report Revenue less First Interim Report Expense)—**Deficit Spending: \$142,072**

2008-09 OCDE JCS Program Budget— Projected Revenues and Expenditures ¹				
	Adopted Budget	First Interim (Estimated Actuals)	Difference 1 st Interim and Adopted Budget	% Difference 1 st Interim and Adopted Budget
Revenue Limit	\$12,625,055	\$13,404,669	\$779,614	-
Federal Revenue	\$0	\$0	\$0	-
State Revenue	\$0	\$0	\$0	-
Other Local Revenue	\$327,000	\$327,000	\$0	-
Contributions/Subsidies	\$0	\$0	\$0	-
Total Revenues	\$12,952,055	\$13,731,669	\$779,614	6.02%
Certificated Salaries	\$7,909,527	\$8,848,077	\$938,550	11.87%
Classified Salaries	\$987,110	\$1,038,135	\$51,025	5.17%
Employee Benefits	\$2,101,216	\$2,488,041	\$386,825	18.41%
Books and Supplies	\$86,325	\$88,523	\$2,198	2.55%
Services, Other Oper	\$106,908	\$107,816	\$908	0.85%
Capital Outlay	\$0	\$0	\$0	0.00%
Other Outgo	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$1,048,605	\$1,177,864	\$129,260	12.33%
Total Expenditures	\$12,239,691	\$13,748,456	\$1,508,766	12.33%
Budget Surplus/(Deficit)	\$712,364	(\$16,788)	(\$729,152)	(102.36%)
Source: Budget data provided by OCDE				
¹ N/A indicates data is not available.				

Table 35: 2008-09 OCDE JCS Program Budget—Projected Revenues and Expenditures

In 2008-09, projected expenditures exceed revenues by \$16,788 (First Interim Report Revenue less First Interim Report Expense)—**Deficit Spending: \$16,788**

2008-09 RCOE JCS Program Budget— Projected Revenues and Expenditures ¹				
	Adopted Budget	First Interim (Estimated Actuals)	Difference 1 st Interim and Adopted Budget	% Difference 1 st Interim and Adopted Budget
Revenue Limit	\$5,374,558	\$4,324,313	(\$1,050,245)	-
Federal Revenue	\$0	\$0	\$0	-
State Revenue	\$0	\$0	\$0	-
Other Local Revenue	\$0	\$0	\$0	-
Contributions/Subsidies	\$0	\$0	\$0	-
Total Revenues	\$5,374,558	\$4,324,313	(\$1,050,245)	(19.54%)
Certificated Salaries	\$2,623,930	\$2,250,610	(\$373,320)	(14.23%)
Classified Salaries	\$413,865	\$424,432	\$10,567	2.55%
Employee Benefits	\$924,333	\$832,326	(\$92,007)	(9.95%)
Books and Supplies	\$108,675	\$97,492	(\$11,183)	(10.29%)
Services, Other Oper	\$226,815	\$232,409	\$5,594	2.47%
Capital Outlay	\$0	\$7,040	\$7,040	0.00%
Other Outgo	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$440,810	\$440,810	\$0	0.00%
Total Expenditures	\$4,738,428	\$4,285,119	(\$453,309)	(9.57%)
Budget Surplus/(Deficit)	\$636,130	\$39,194	(\$596,936)	(93.84%)
Source: Budget data provided by RCOE				
¹ N/A indicates data is not available.				

Table 36: 2008-09 RCOE JCS Program Budget—Projected Revenues and Expenditures

In 2008-09, projected expenditures do not exceed revenues by \$39,194 (First Interim Report Revenue less First Interim Report Expense)—**Surplus: \$39,194**

2008-09 SBCSS JCS Program Budget— Projected Revenues and Expenditures ¹				
	Adopted Budget	First Interim (Estimated Actuals)	Difference 1 st Interim and Adopted Budget	% Difference 1 st Interim and Adopted Budget
Revenue Limit	\$5,726,436	\$5,934,152	\$207,716	-
Federal Revenue	\$0	\$0	\$0	-
State Revenue	\$0	\$0	\$0	-
Other Local Revenue	\$0	\$0	\$0	-
Contributions/Subsidies	\$0	\$0	\$0	-
Total Revenues	\$5,726,436	\$5,934,152	\$207,716	3.63%
Certificated Salaries	\$2,676,683	\$2,676,683	\$0	0.00%
Classified Salaries	\$1,026,593	\$1,026,593	\$0	0.00%
Employee Benefits	\$1,158,468	\$1,158,468	\$0	0.00%
Books and Supplies	\$38,650	\$43,605	\$4,955	12.82%
Services, Other Oper	\$219,144	\$214,189	(\$4,955)	(2.26%)
Capital Outlay	\$0	\$0	\$0	0.00%
Other Outgo	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$424,368	\$424,368	\$0	0.00%
Total Expenditures	\$5,543,906	\$5,543,906	\$0	0.00%
Budget Surplus/(Deficit)	\$182,530	\$390,246	\$207,716	113.80%
Source: Budget data provided by SBCSS				
¹ N/A indicates data is not available.				

Table 37: 2008-09 SBCSS JCS Program Budget—Projected Revenues and Expenditures

In 2008-09, projected expenditures do not exceed revenues by \$390,246 (First Interim Report Revenue less First Interim Report Expense)—**Surplus: \$390,246**

2008-09 VCOE JCS Program Budget— Projected Revenues and Expenditures ¹				
	Adopted Budget	First Interim (Estimated Actuals)	Difference 1 st Interim and Adopted Budget	% Difference 1 st Interim and Adopted Budget
Revenue Limit	\$2,302,996	\$2,302,996	\$0	-
Federal Revenue	\$0	\$0	\$0	-
State Revenue	\$22,819	\$22,819	\$0	-
Other Local Revenue	\$0	\$0	\$0	-
Contributions/Subsidies	\$0	\$0	\$0	-
Total Revenues	\$2,325,815	\$2,325,815	\$0	0.00%
Certificated Salaries	\$1,356,385	\$1,356,385	\$0	0.00%
Classified Salaries	\$186,655	\$186,655	\$0	0.00%
Employee Benefits	\$437,249	\$437,249	\$0	0.00%
Books and Supplies	\$37,390	\$37,390	\$0	0.00%
Services, Other Oper	\$64,701	\$64,701	\$0	0.00%
Capital Outlay	\$0	\$0	\$0	0.00%
Other Outgo	\$0	\$0	\$0	0.00%
Indirect/Direct Suppt	\$202,824	\$202,824	\$0	0.00%
Total Expenditures	\$2,285,204	\$2,285,204	\$0	0.00%
Budget Surplus/(Deficit)	\$40,611	\$40,611	\$0	0.00%
Source: Budget data provided by VCOE				
¹ N/A indicates data is not available.				

Table 38: 2008-09 VCOE JCS Program Budget—Projected Revenues and Expenditures

In 2008-09, projected expenditures do not exceed revenues by \$40,611 (First Interim Report Revenue less First Interim Report Expense)—**Surplus: \$40,611**

Analysis of Expenditures													
2006-07	LACOE	%	ACOE	%	OCDE	%	RCOE	%	SBCSS	%	VCOE	%	
Certificated Salaries	\$32,908,638	55.4%	\$2,083,289	63.8%	\$7,365,766	66.1%	\$2,698,131	56.8%	\$3,048,457	48.7%	\$1,216,736	59.2%	
Classified Salaries	5,992,945	10.1%	335,927	10.3%	766,873	6.9%	415,475	8.7%	1,146,338	18.3%	142,689	6.9%	
Benefits	11,431,542	19.2%	390,387	12.0%	1,907,249	17.1%	930,685	19.6%	1,366,591	21.8%	403,301	19.6%	
Books and Supplies	1,839,386	3.1%	63,310	1.9%	90,812	0.8%	236,613	5.0%	58,629	0.9%	32,746	1.6%	
Services	2,113,188	3.6%	137,114	4.2%	81,957	0.7%	135,496	2.9%	191,661	3.1%	103,134	5.0%	
Capital Outlay	84,899	0.1%	0	0.0%	6,209	0.1%	6,144	0.1%	20,322	0.3%	6,155	0.3%	
Other Outgo	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Direct/Indirect Support	5,047,722	8.5%	253,745	7.8%	922,203	8.3%	331,230	7.0%	424,159	6.8%	151,699	7.4%	
Total Expenditures	\$59,418,320		\$3,263,772		\$11,141,069		\$4,753,774		\$6,256,167		\$2,056,460		
2007-08	LACOE	%	ACOE	%	OCDE	%	RCOE	%	SBCSS	%	VCOE	%	
Certificated Salaries	\$33,102,631	53.6%	\$2,346,097	65.9%	\$8,299,373	65.2%	\$2,576,831	56.0%	\$2,962,932	50.7%	\$1,321,821	59.9%	
Classified Salaries	6,739,481	10.9%	357,007	10.0%	913,517	7.2%	470,675	10.2%	1,035,273	17.7%	184,023	8.3%	
Benefits	11,852,723	19.2%	438,699	12.3%	2,184,793	17.2%	1,034,256	22.5%	1,224,352	21.0%	424,056	19.2%	
Books and Supplies	1,580,184	2.6%	82,336	2.3%	96,893	0.8%	80,420	1.7%	34,692	0.6%	25,649	1.2%	
Services	2,908,417	4.7%	42,637	1.2%	113,814	0.9%	157,893	3.4%	172,993	3.0%	57,778	2.6%	
Capital Outlay	126,676	0.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Other Outgo	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Direct/Indirect Support	5,453,747	8.8%	293,030	8.2%	1,120,210	8.8%	282,949	6.1%	413,814	7.1%	194,689	8.8%	
Total Expenditures	\$61,763,859		\$3,559,805		\$12,728,600		\$4,603,024		\$5,844,056		\$2,208,016		

*All data provided by counties. Data used is 2006-07 and 2007-08 Unaudited Actuals

Table 39: Analysis of Expenditures

Table 39 provides a comparison of the 2006-07 and 2007-08 JCS expenditures. The purpose of this Table is to examine the expenditures of COEs and determine if any COE was spending an unusual percentage of its budget in any particular category that would warrant further investigation into the spending in that category. The conclusion is that LACOE's percentages are commensurate with the other COEs, indicating that LACOE's expenditures per category are proportionate to the total expenditures.

Tables 40, 41, and 42 provide summary information for each COE's surplus or deficit in fiscal years 2006-07 (unaudited actuals), 2007-08 (unaudited actuals), and 2008-09 (first interim report, estimated actuals).

**2006-07 JCS Program Comparative Summary:
Revenues and Expenditures—Budget Surplus/(Deficit) ¹**

County	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Los Angeles	(\$6,360,550)	(\$11,921,615)	(\$6,228,847)	\$5,692,768	47.75%
Alameda	\$0	(\$43,659)	(\$110,474)	(\$66,815)	(153.04%)
Orange	\$560,978	\$790,099	\$563,079	(\$227,021)	(28.73%)
Riverside	\$672,546	N/A	\$820,960	N/A	N/A
San Bernardino	\$173,580	(\$456,507)	(\$428,263)	\$28,244	6.19%
Ventura	\$362,769	(\$253,800)	\$102,043	\$355,843	140.21%

Source: Budget data provided by counties

¹ N/A indicates data is not available.

**Table 40: 2006-07 JCS Program Comparative Summary: Revenues and Expenditures—
Budget Surplus/(Deficit)**

**2007-08 JCS Program Comparative Summary:
Revenues and Expenditures—Budget Surplus/(Deficit) ¹**

County	Adopted Budget	Estimated Actuals	Unaudited Actuals	Difference Est. Acts. and Unaud. Actuals	% Difference Est. Acts. and Unaud. Actuals
Los Angeles	(\$14,447,927)	(\$24,366,866)	(\$11,238,260)	\$13,128,606	53.88%
Alameda	\$0	(\$86,674)	\$63,079	\$149,753	172.78%
Orange	\$1,271,924	\$807,925	\$205,031	(\$602,895)	(74.62%)
Riverside	\$1,175,480	N/A	\$892,562	N/A	N/A
San Bernardino	\$1,000	(\$28,245)	(\$28,245)	\$0	0.00%
Ventura	(\$51,720)	\$145,951	\$341,663	\$195,712	134.09%

Source: Budget data provided by counties
¹ N/A indicates data is not available.

Table 41: 2007-08 JCS Program Comparative Summary: Revenues and Expenditures—Budget Surplus/(Deficit)

**2008-09 JCS Program Comparative Summary:
Projected Revenues and Expenditures—Budget Surplus/(Deficit) ¹**

County	Adopted Budget	First Interim (Estimated Actuals)	Difference 1 st Interim and Adopted Budget	% Difference 1 st Interim and Adopted Budget
Los Angeles	(\$20,715,309)	(\$20,120,449)	\$594,860	2.87%
Alameda	\$0	(\$142,072)	(\$142,072)	0.00%
Orange	\$712,364	(\$16,788)	(\$729,152)	(102.36%)
Riverside	\$636,130	\$39,194	(\$596,936)	(93.84%)
San Bernardino	\$182,530	\$390,246	\$207,716	113.80%
Ventura	\$40,611	\$40,611	\$0	0.00%

Source: Budget data provided by counties
¹ N/A indicates data is not available.

Table 42: 2008-09 JCS Program Comparative Summary: Projected Revenues and Expenditures—Budget Surplus/(Deficit)

RECOMMENDATIONS

1. LACOE should pursue legislation that increases JCS funding to a level commensurate with the effort to provide services to students in the JCS program.
2. LACOE should find ways to decrease expenditures, if possible, while complying with the U.S. DOJ MOA.

Comparative JCS Program Per Capita Measurements

Because each COE in the comparative group has its own unique factors such as student population and number of facilities, the per capita, or per student, measurements must be used to allow for like comparisons. This section will evaluate the per capita revenues and expenditures of the comparative COE JCS group. In order to obtain LACOE's and the other comparative counties' JCS program expenditures and revenue, we requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS program survey asked for all budget data in revenue and expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing). LACOE and the comparative counties provided this data for Juvenile Court Schools.

We calculated per capita revenues received by the COE, which included all revenues recorded by the COE for incarcerated youth: revenue limit, federal revenue, state revenue, other local revenue, and contributions from other funds. These total revenues were provided by the COE. The per capita calculation was done by using the ADA number (the number of students funded) as the divisor of total revenues.

We calculated per capita expenditures by the COE, including all expenditures recorded by the COE for incarcerated youth: certificated salaries, classified salaries, employee benefits, books and supplies, services and other operating expenses, capital outlay, other outgo, indirect/direct support. The per capita calculation was done by using the ADA number (the number of students funded) as the divisor of total revenues.

It is important to note that because COEs are not required to track the revenues and expenditures in this comparable way, all participating COEs were required to deconstruct the data down to the level of JCS (incarcerated students only).

REVENUES

In the state of California, every COE JCS program receives the same rate of funding per unit of ADA, or revenue limit funding per unit of ADA, as the majority of funding for JCS programs. These rates are displayed in Table 43. The revenue limit rate for 2006-07 for all COE JCS programs was \$9,100.23 per unit of ADA. The revenue limit received a COLA in 2007-08, and therefore increased to \$9,512.51 per unit of ADA. In 2008-09, it is projected that the revenue limit will be reduced to \$9,263.03 per unit of ADA because of cuts to education in the State

Budget. All COE JCS programs will receive the projected reduced 2008-09 revenue limit rate, thereby reducing the total revenue limit funding received for 2008-09.

JCS Program Comparative Group: Total Revenue Limit Funding per unit of Annual ADA* for 2006-07, 2007-08, 2008-09 (Projected)			
County	2006-07	2007-08	2008-09 (Projected)
Los Angeles	\$9,100.23	\$9,512.51	\$9,263.03
Alameda	\$9,100.23	\$9,512.51	\$9,263.03
Orange	\$9,100.23	\$9,512.51	\$9,263.03
Riverside	\$9,100.23	\$9,512.51	\$9,263.03
San Bernardino	\$9,100.23	\$9,512.51	\$9,263.03
San Diego	\$9,100.23	\$9,512.51	\$9,263.03
Ventura	\$9,100.23	\$9,512.51	\$9,263.03

* Revenue Limit and ADA—provided by California Department of Education

Table 43: Total Revenue Limit Funding per Annual ADA for 2006-07, 2007-08, and 2008-09 (Projected)

As discussed in LACOE's Per Capita Measurements section, although the majority of revenue comes from the revenue limit, JCS programs do receive some additional funding from federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds. Some COEs reported differences in total revenue limit funding received because of prior-year adjustments to correct for changes in ADA and that COEs can access other grants, categorical programs, and local revenue opportunities—if available or if the COE is eligible—to increase revenues, but this is provided and allocated based on local practice. COEs participating in the survey, with LACOE as the only exception, did not report revenues for each category of revenue. The JCS program survey used was dependent on subjective interpretation by each comparative COE. This does not mean that other COEs did not receive revenues in this area; however, it may demonstrate how each COE collects and reports revenue attributable to the JCS program and students. As part of the scope of work, SSC looked at the per capita total revenues. We calculated per capita revenues received by the COE, which included all revenues recorded by the COE for incarcerated youth: revenue limit, federal revenue, state revenue, other local revenue, and contributions from other funds. These total revenues were provided by the COE. The per capita calculation was done by using the ADA number (the number of students funded) as the divisor of total revenues.

In 2006-07, 2007-08, and 2008-09 (projected), LACOE's JCS program receives the second largest amount of per capita revenues—\$12,603.24—of the comparison group, second to San Bernardino COE's JCS program. Please refer to Tables 44, 45, and 46 for the complete lists of comparison COEs.

JCS Program Comparative Group: Total Revenues* and Total Annual ADA** for 2006-07			
County	Total Revenues	Annual ADA	Per Capita Total Revenues
Los Angeles	\$53,189,473	4,220.30	\$12,603.24
Alameda	\$3,153,299	372.12	\$8,473.88
Orange	\$11,704,147	1,266.00	\$9,244.98
Riverside	\$5,574,734	612.59	\$9,100.27
San Bernardino	\$5,827,905	460.00	\$12,669.36
San Diego	Data unavailable		
Ventura	\$2,158,503	242.09	\$8,916.12
*Total Revenues include the revenue limit, federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds.			
**All data provided by counties. Total Revenues are from 2006-07 Unaudited actuals.			

Table 44: Total Revenues and Total Annual ADA for 2006-07

**JCS Program Comparative Group:
Total Revenues* and Total Annual ADA** for 2007-08**

County	Total Revenues	Annual ADA	Per Capita Revenues
Los Angeles	\$50,525,599	3,958.98	\$12,762.28
Alameda	\$3,622,884	406.34	\$8,915.89
Orange	\$12,933,631	1,329.00	\$9,731.85
Riverside	\$5,495,586	536.39	\$10,245.50
San Bernardino	\$5,815,811	429.30	\$13,547.20
San Diego	Data unavailable		
Ventura	\$2,549,679	265.71	\$9,595.72

*Total Revenues include the revenue limit, federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds.

**All data provided by counties. Total Revenues are from 2007-08 Unaudited actuals.

Table 45: Total Revenues and Total Annual ADA for 2007-08

**JCS Program Comparative Group:
Total Revenues* and Total Annual ADA**
for 2008-09 (Projected)**

County	Total Revenues (Projected)	Annual ADA (Projected)	Per Capita Revenues (Projected)
Los Angeles	\$50,131,932	4,003.60	\$12,521.71
Alameda	\$3,673,704	408.00	\$9,004.18
Orange	\$13,731,669	1,395.00	\$9,843.49
Riverside	\$4,324,313	450.00	\$9,609.58
San Bernardino	\$5,934,152	369.00	\$16,081.71
San Diego	Data unavailable		
Ventura	\$2,325,815	242.10	\$9,606.84

*Total Revenues include the revenue limit, federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds.

**All data provided by counties. Total Revenues are from 2008-09 First Interim Estimated Actuals.

Table 46: Total Revenues and Total Annual ADA for 2008-09 (Projected)

Table 43 shows that the revenue limit funding per ADA is the same for JCS ADA in every county. Tables 44, 45, and 46 show the total revenue per capita to vary significantly when reported by COEs in the survey. The variances are due to the way the COEs reported revenues for the JCS program. COEs are not required to track the data to the level of detail required by the scope of work and each COE completed the survey based on their understanding of the request and the level of detail available in their respective financial systems. LACOE was the only COE that provided revenue sources in each revenue category: revenue limit, federal revenue, state revenue, other local revenue, and contributions/subsidies.

JCS Program Comparative Group: Per Capita Total Revenues* for 2006-07, 2007-08, and 2008-09 (Projected)			
County	2006-07	2007-08	2008-09 (Projected)
Los Angeles	\$12,603.24	\$12,762.28	\$12,521.71
Alameda	\$8,473.88	\$8,915.89	\$9,004.18
Orange	\$9,244.98	\$9,731.85	\$9,843.49
Riverside	\$9,100.27	\$10,245.50	\$9,609.58
San Bernardino	\$12,669.36	\$13,547.20	\$16,081.71
San Diego	Data unavailable		
Ventura	\$8,916.12	\$9,595.72	\$9,606.84
*Total Revenues from county provided 2006-07, 2007-08 Unaudited actuals and 2008-09 First Interim data			

Table 47: Per Capita Total Revenues* for 2006-07, 2007-08, and 2008-09 (Projected)

The variance in the per capita total revenue in the comparative group is due to the way each COEs provided JCS-related revenue in the survey COEs are not required to report and collect data for JCS programs. Each COE is required to follow the rules of the CSAM and to file reports using the state's SACS. SACS consolidates the revenues and expenditures by major object number for revenues and expenditures. COEs are not required to attribute all revenues to the level of detail required by the scope of work.

EXPENDITURES

Each COE JCS program has unique characteristics and challenges, and as a result, the costs of running the programs are very different. It is necessary to calculate the per capita expenditures (displayed in Tables 48, 49, and 50) in order to allow for comparison. The contributing factors to

the varying amounts of per capita expenditures for the comparison JCS group will be fully examined in the following comparative JCS program sections of this report; however, it is important to note that factors such as program size, the needs of students (i.e., special education), limited class sizes, safety issues, and facility constraints can contribute largely to the per capita expenditures. We calculated per capita expenditures by the COE, including all expenditures recorded by the COE for incarcerated youth: certificated salaries, classified salaries, employee benefits, books and supplies, services and other operating expenses, capital outlay, other outgo, and indirect/direct support. The per capita calculation was done by using the ADA number (the number of students funded) as the divisor of total revenues.

As shown in Table 51, LACOE's per capita expenditures of \$14,079.17 in 2006-07, \$15,600.95 in 2007-08, and \$17,547.30 projected in 2008-09 are the highest of the comparison group for all three years. For LACOE, some of the contributing factors (which will be fully examined in the following comparative JCS program sections of this report) are facility limitations, restrictions on class sizes set forth in the Los Angeles County Education Association's (LACEA's) bargaining agreement, the U.S. DOJ MOA, and special education costs. As LACOE's JCS program must operate under these limitations—which drive up costs—while still receiving the same revenue limit per ADA as all other COE JCS programs. Another factor to keep in mind is that all COEs completed a survey to provide all JCS-related expenditures. As with the revenues reported by COEs, some COEs may not have reported all JCS-related expenses because they are not reported or collected in the manner and to the level of detail required by the scope of work. So, while the data may not necessarily be comparing “apples to apples,” significant factors that affects the costs of LACOE's JCS program are the U.S. DOJ MOA, ADA revenue limit funding, student population, established facility limitations, and collective bargaining contract limitations.

**JCS Program Comparative Group:
Total Expenditures and Total Annual ADA* for 2006-07**

County	Total Expenditures	Annual ADA	Per Capita Expenditures
Los Angeles	\$59,418,320	4,220.30	\$14,079.17
Alameda	\$3,263,773	372.12	\$8,770.75
Orange	\$11,141,068	1,266.00	\$8,800.21
Riverside	\$4,753,774	612.59	\$7,760.12
San Bernardino	\$6,256,168	460.00	\$13,600.37
San Diego	Data unavailable		
Ventura	\$2,056,460	242.09	\$8,494.61

*All data provided by counties. Total Expenditures from 2006-07 Unaudited actuals.

Table 48: Total Expenditures and Total Annual ADA for 2006-07

**JCS Program Comparative Group:
Total Expenditures and Total Annual ADA* for 2007-08**

County	Total Expenditures	Annual ADA	Per Capita Expenditures
Los Angeles	\$61,763,859	3,958.98	\$15,600.95
Alameda	\$3,559,805	406.34	\$8,760.66
Orange	\$12,728,600	1,329.00	\$9,577.58
Riverside	\$4,603,024	536.39	\$8,581.49
San Bernardino	\$5,844,056	429.30	\$13,612.99
San Diego	Data unavailable		
Ventura	\$2,208,016	265.71	\$8,309.87

*All data provided by counties. Total Expenditures from 2007-08 Unaudited actuals.

Table 49: Total Expenditures and Total Annual ADA for 2007-08

**JCS Program Comparative Group:
Total Expenditures and Total Annual ADA* for 2008-09
(Projected)**

County	Total Expenditures (Projected)	Annual ADA (Projected)	Per Capita Expenditures (Projected)
Los Angeles	\$70,252,381	4,003.60	\$17,547.30
Alameda	\$3,815,776	408.00	\$9,352.39
Orange	\$13,748,456	1,395.00	\$9,855.52
Riverside	\$4,285,119	450.00	\$9,522.49
San Bernardino	\$5,543,906	369.00	\$15,024.14
San Diego	Data unavailable		
Ventura	\$2,285,204	242.10	\$9,439.09

*All data provided by counties. Total Expenditures from 2008-09 First Interim Estimated Actuals.

Table 50: Total Expenditures and Total Annual ADA for 2008-09 (Projected)

**JCS Program Comparative Group:
Per Capita Total Expenses*
for 2006-07, 2007-08, and 2008-09 (Projected)**

County	2006-07	2007-08	2008-09 (Projected)
Los Angeles	\$14,079.17	\$15,600.95	\$17,547.30
Alameda	\$8,770.75	\$8,760.66	\$9,352.39
Orange	\$8,800.21	\$9,577.58	\$9,855.52
Riverside	\$7,760.12	\$8,581.49	\$9,522.49
San Bernardino	\$13,600.37	\$13,612.99	\$15,024.14
San Diego	Data unavailable		
Ventura	\$8,494.61	\$8,309.87	\$9,439.09

*Total Expenditures from 2006-07, 2007-08 Unaudited actuals and 2008-09 First Interim data

Table 51: Per Capita Total Expenses for 2006-07, 2007-08, and 2008-09 (Projected)

SURPLUS/(DEFICIT) IN REVENUE AND EXPENDITURES

As noted in the previous Revenues and Expenditures sections, the amount of revenue limit funding per unit of ADA is established by the state. State revenue limit funding per unit of ADA is insufficient to operate JCS programs. All COEs in the comparative group project a deficit in revenue limit funding per unit of ADA in 2008-09, which means that program-required expenditures are higher than revenues generated through student attendance (ADA). LACOE and San Bernardino have been struggling with a structural deficit in Revenue Limit funding in each of the three years reported (2006-07, 2007-08, and 2008-09). In 2008-09, LACOE's JCS program is projected to have a deficit in funding of \$8,284.27 per ADA (shown in Table 51), meaning that the program will be short \$8,284.37 per student in funding, and LACOE will be required to subsidize the program by this amount per student, causing a significant burden on resources. This deficit is calculated by subtracting per capita expenditures in Table 51 from the per ADA revenue limit amounts in Table 43. San Bernardino COE's JCS program also faces a large deficit in revenue limit funding, projecting a per-ADA deficit of \$5,761.11.

JCS Program Comparative Group: Surplus/(Deficit)* in Revenue Limit Funding per unit of ADA for 2006-07, 2007-08, and 2008-09 (Projected)			
County	2006-07	2007-08	2008-09 (Projected)
Los Angeles	(\$4,978.94)	(\$6,088.44)	(\$8,284.27)
Alameda	\$329.48	\$751.85	(\$89.36)
Orange	\$300.02	(\$65.07)	(\$592.49)
Riverside	\$1,340.11	\$931.02	(\$259.46)
San Bernardino	(\$4,500.14)	(\$4,100.48)	(\$5,761.11)
San Diego	Data unavailable		
Ventura	\$605.62	\$1,202.64	(\$176.06)
*Based on surplus/(deficit) of Per Capita Total Expenses referenced in Table 51, subtracted from per-ADA revenue limit funding referenced in Table 43.			

**Table 52: Surplus/(Deficit) in Revenue Limit Funding for 2006-07,
2007-08, and 2008-09 (Projected)**

Because JCS programs do receive some funding from federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds in addition to the revenue limit, we must also compare the surplus or deficit of total per capita revenues (including revenue limit, federal revenue, state revenue, other local revenue, and any contributions or subsidies from other

funds) to total per capital expenditures. Table 53 displays the surplus and deficits for total revenue funding in 2006-07, 2007-08, and 2008-09 (projected).

Again, LACOE's JCS program has the largest deficit of total per capita revenues compared to per capita total expenditures. This is the most complete per capita analysis as it is evaluating all reported revenues and expenditures. LACOE's projected JCS program per capita deficit in funding is projected to be \$5,025.59 per ADA in 2008-09. Even with all sources of revenue included, LACOE's JCS program still has a large structural imbalance that is projected to continue to increase under the current funding constraints and program limitations.

JCS Program Comparative Group: Surplus/(Deficit)* in Total Revenue Funding for 2006-07, 2007-08, and 2008-09 (Projected)			
County	2006-07	2007-08	2008-09 (Projected)
Los Angeles	(\$1,475.93)	(\$2,838.68)	(\$5,025.59)
Alameda	(\$296.88)	\$155.24	(\$348.22)
Orange	\$444.77	\$154.27	(\$12.03)
Riverside	\$1,340.15	\$1,664.02	\$87.10
San Bernardino	(\$931.01)	(\$65.79)	\$1,057.58
San Diego	Data Unavailable		
Ventura	\$421.51	\$1,285.85	\$167.74
*Based on surplus/(deficit) of Per Capita Total Expenses referenced in Table 51, subtracted from the per capita total revenue funding referenced in Table 47.			

Table 53: Surplus/(Deficit) in Total Revenue Funding for 2006-07, 2007-08, and 2008-09 (Projected)

RECOMMENDATIONS

1. LACOE should continue to pursue all possible streams of revenue, such as grants, categorical programs, and any local revenue opportunities.
2. LACOE should work to contain expenditure costs where possible while still meeting the compliance requirements of the U.S. DOJ MOA.

Comparative JCS Program Student Population

AVERAGE DAILY ATTENDANCE AND AVERAGE DAILY POPULATION

LACOE's JCS program is the largest in the state, having earned 3,958 ADA in 2007-08, with a projected 2008-09 ADA of 4,003.60, but the ADA number does not fully represent the student population that received services from the JCS program during those years. According to data provided by LACOE, in 2007-08, the total number of individual students served was 13,662, and the total number of times students were processed into the program was 46,702 (this number includes the same student processed multiple times). Based upon this data, it is estimated that each student was processed—or reentered the system—an average of 3.4 times per year. Though LACOE earned revenue limit funding for 3,958 ADA in 2007-08, the LACOE JCS program was required to process and serve those 13,662 individual students multiple times throughout the year. This takes dedicated staff time and resources in order to serve these students, which requires sufficient funding. Due to the current ADA-funding model, the LACOE JCS program is only funded on earned ADA, which for 2007-08 was 3,958 students. As a result, the LACOE JCS program must be prepared to provide services to more than three times the number of students actually funded. Staffing must be in place regardless of whether or not a student comes to class. When students do not come to class, ADA is not earned, yet staff must be paid. This causes a considerable financial strain to the LACOE JCS program, and in turn, LACOE as it struggles to backfill this gap in funding with contributions that have grown each year. Table 54 demonstrates these issues.

LACOE JCS Program: Student Counts and ADA for 2006-07, 2007-08, and 2008-09 (Projected)			
County	2006-07	2007-08	2008-09 (Projected)
Average Number of Students/Class	14.30	15.00	14.20
Average Number of Classrooms	203.00	202.00	207.00
Total of Enter/Exit Processes	50,925.00	46,702.00	23,284.00
Total Unduplicated Count Students	15,048.00	13,662.00	8,237.00
Total ADA	4,220.30	3,958.98	4,003.60

*Data provided by LACOE

Table 54: LACOE JCS Program: Student Counts and ADA for 2006-07, 2007-08, and 2008-09 (Projected)

Tables 55, 56, and 57 display the ADA and average daily population (ADP) for the comparison COE JCS programs. For LACOE, ADP is a measure of student attendance collected by the Probation department to measure the total population average per day for the facility. It is important to note that all COE JCS programs record ADP in different ways, some calculate it on an average monthly enrollment, while others use a daily attendance provided by their county's Probation Department. LACOE provided average monthly enrollment or ADE for comparison. We could not compare these student attendance measurements between the comparison COEs because there is no established standard to collect and record this data.

The two measures of student attendance, ADA and ADP, and do not measure what the costs of the JCS program will be in a year. For LACOE's JCS program, expenditures are based on the following factors: U.S. DOJ MOA, student population, established facility limitations, and collective bargaining contract limitations. For other COEs, different expenditure recording practices are used based upon local decisions and allocations. Tables 55, 56, and 57 display the reported ADA and ADP for the comparison group.

2006-07 JCS Program ADA and ADP ¹				
County	ADA	ADP	Difference between ADA and ADP	% Difference between ADA and ADP
Los Angeles	4,220.30	3,543.57 ²	(676.73)	-16.04%
Alameda	372.12	241.20	(130.92)	-35.18%
Orange	1,266.00	1,019.04	(246.96)	-19.51%
Riverside	612.59	454.00	(158.59)	-25.89%
San Bernardino	460.00	479.20	19.20	4.17%
San Diego	1,112.66	880.00	(232.66)	-20.91%
Ventura	242.09	N/A	N/A	N/A
Source: Data provided by counties				
¹ N/A indicates data is not available.				
² LACOE was able to provide ADE for the comparison; ADP is collected by Probation and was not provided.				

Table 55: 2006-07 Program ADA and ADP

2007-08 JCS Program ADA and ADP ¹				
County	ADA	ADP	Difference between ADA and ADP	% Difference between ADA and ADP
Los Angeles	3,958.98	3,322.36 ²	(636.62)	-16.08%
Alameda	406.34	270.10	(136.24)	-33.53%
Orange	1,329.00	1,061.57	(267.43)	-20.12%
Riverside	536.39	425.00	(111.39)	-20.77%
San Bernardino	429.30	452.30	23.00	5.36%
San Diego	1,075.13	906.00	(169.13)	-15.73%
Ventura	265.71	N/A	N/A	N/A
Source: Data provided by counties				
¹ N/A indicates data is not available.				
² LACOE was able to provide ADE for the comparison; ADP is collected by Probation and was not provided.				

Table 56: 2007-08 JCS Program ADA and ADP

2008-09 JCS Program ADA and ADP ¹				
County	ADA (Projected)	ADP (Projected)	Difference between ADA and ADP	% Difference between ADA and ADP
Los Angeles	4,003.60	3,343.43 ²	(660.17)	-16.49%
Alameda	408.00	276.50	(131.50)	-32.23%
Orange	1,395.00	1,082.00	(313.00)	-22.44%
Riverside	450.00	324.00	(126.00)	-28.00%
San Bernardino	369.00	379.50	10.50	2.85%
San Diego	1,077.71	835.00	(242.71)	-22.52%
Ventura	242.10	N/A	N/A	N/A
Source: Data provided by counties				
¹ N/A indicates data is not available.				
² LACOE was able to provide ADE for the comparison; ADP is collected by Probation and was not provided.				

Table 57: 2008-09 JCS Program ADA and ADP

SPECIAL EDUCATION

One of the largest categorical programs in California is for special education services. Special education funding is currently based on a rate per unit of ADA. While funding was previously distributed based upon selected service needs for special education students, a new funding model that began in 1998-99 gives local agencies the ability to operate programs in a much more flexible manner and removes some of the incentives—and disincentives—that were inherent in the old special education funding model.

The state does not provide enough funding support to LEAs and has, on average, underfunded LEAs by approximately 30% annually.

JCS programs generally serve a large population of special education students, which require individualize education plans (IEPs), richer staff ratios, and other special services further required by the state. Table 57 displays the percentage of students identified as special education by the comparison COE JCS programs. In 2007-08, 23.44% of students in LACOE's JCS program were identified as special education, ranking LACOE's JCS program slightly above the comparison group average. In addition to necessitating special educational services, the challenge is heightened by the safety requirements of the incarcerated students. Many students must be separated during the school day because of potential safety risks. This includes conducting separate classes for boys, girls, adult charged students, students on psychotropic drugs, students with gang affiliation, or other students who pose a risk. Because of the Los Angeles County Education Association collective bargaining agreement, class size in the JCS program is capped at 17 students further reducing the size to 14 students if 50% or more of the pupils have an IEP with special day placement (this does not include pupils with IEPs for Resource or Designated Instructional Services [DIS] designation). As a result of the bargaining agreement, a heavy burden is placed on LACOE's JCS program to provide the required services to regular and special education students while also respecting the need for certain separated classes because of safety risks, and retaining the class size required by the collective bargaining agreement. Copies of the class size articles for the comparison JCS programs' bargaining agreements can be found in Appendix B.

The JCS programs in the comparative group reported similar percentages of special education populations, and would be expected to be facing similar problems such as LACOE in terms of providing services. Only two of the six other participating COEs provided data for special education populations for all three requested years. Table 58 displays the percentages of special education at each JCS program. It is important to note that LACOE is below the group's average in 2008-09, but only two other COEs provided this data, and that the 2008-09 special education data is a projection, not actual data. In addition, though LACOE's percentages may be below some of the comparison COEs' special education percentages, the large population of LACOE's

JCS program creates an increased burden on LACOE. For example, in 2008-09, the reported 30.20% of identified special education students in San Bernardino equates to approximately 111 students in 2008-09 (30.20% of 369 2008-09 reported ADA= 111.44). For LACOE, the similar percentage of 20.82% special education students in 2008-09 equates to approximately 834 students (20.82% of 4,003.60 2008-09 reported ADA = 833.55). LACOE is providing special education services to a larger number of students, and this translates to an increase in required staff and services.

2006-07, 2007-08, and 2008-09 (Projected) Comparison JCS Program Group: Special Education Percentages (Annual Data) ¹			
County	2006-07	2007-08	2008-09 (Projected)
Los Angeles	23.34%	23.44%	20.82%
Alameda	17.00%	19.00%	19.50%
Orange	N/A	N/A	N/A
Riverside	16.00%	24.00%	N/A
San Bernardino	31.80%	26.80%	30.20%
San Diego	N/A	N/A	N/A
Ventura	N/A	N/A	N/A
Averages	21.79%	23.31%	23.51%
Source: Data provided by counties			
¹ N/A indicates data is not available.			

**Table 58: 2006-07, 2007-08, and 2008-09 (Projected) Comparison JCS
Program Group: Special Education Percentages**

LACOE's 2008-09 special education percentages are projected at 20.82%. The actual number and percentages will be known at the end of the 2008-09 fiscal year. The number of students in the JCS program fluctuates on a daily basis as does the number of students with an IEP. LACOE has been collecting counts of percentage of students with IEPs from the Juvenile Halls as part of the requirements of the DOJ Halls MOA between the U.S. DOJ, LACOE, and Probation. LACOE provided reports to SSC demonstrating that the percentages of students with IEPs in the Juvenile Halls range from a low of 21% to a high of almost 43% depending on the day the count was taken.

RECOMMENDATIONS

1. There are no recommendations for this category.

Comparative JCS Program Fees

LACOE and most other COEs in the comparative review do not bill school districts in the county for JCS program costs that are in excess of the revenue provided by the state and federal governments. San Diego COE is the exception to this statement because they have an agreement with local school districts to charge for some costs for educating certain groups of students (see paragraph below).

It is important to note that per California Education Code Section 48645.2, “the county board of education shall provide for the administration and operation of juvenile court schools established pursuant to Section 48645.1.” As a result, school districts are not required in Education Code to provide reimbursement to COEs that provide education services. If a COE wishes to seek reimbursement from the student’s resident school district, an agreement must be created, such as a MOU. In the comparative group, San Diego is the only county that has an agreement with its school districts and SELPAs to bill special education services back to the districts. The MOU description for San Diego COE is in Appendix C.

RECOMMENDATIONS

1. LACOE should determine if school districts will enter into an MOU to reimburse LACOE for excess education costs. It is important to note that a school district would have to agree to enter into the agreement to reimburse LACOE for excess education costs.

Comparative JCS Program Facilities

Unlike school districts that have a high degree of control over the facilities in which they operate, LACOE essentially has no control over the size and number of classrooms, nor the configuration in the juvenile hall and camp schools. Probation staff makes the decision on appropriate class size based on safety and security. Although the class sizes are capped at 17 students in LACOE’s certificated teacher bargaining unit agreement and the contract language does not allow for higher class sizes, most JCS facilities are not able to hold classes of 17.

While visiting Los Padrinos Juvenile Hall, it was observed that the classrooms that were visited only held 15 student desks at a maximum, and because of the size of the classroom, could not accommodate any additional students. Based on data provided by LACOE, the average class size is 15.4 students per class with actual attendance lower in most cases.

LACOE tracks, by site, the maximum number of students that can be accommodated in each classroom at the halls and camps. The spreadsheets documenting class loading maximums are in Appendix D for reference.

It is important to note that two facilities have further constraints by the California State Board of Correction Space Regulation (which refers to square footage requirements): Challenger Camp School is limited to 15 students per class, and Barry J. Nidorf Juvenile Hall School is limited to 13 students per class.

LACOE staff provided us with an internal analysis of revenue and expenditures for the JCS program. The analysis shows that class sizes of 19 students would allow the program to break even, if facilities were available. As the average class size is 15.4, the JCS program continues to operate on a deficit with the current constraints. A copy of the LACOE staff analysis of the break even point for JCS classes is in Appendix E for reference.

LACOE's JCS program has 22 facilities. Students can be transported from one location to another for many reasons such as security concerns, gender, and space availability. The number of facilities supported by LACOE in providing education services to incarcerated youth contributes to the high costs of providing the program. Adequate staff has to be in place to cover instructional needs at 22 facilities. Table 59 summarizes the number of JCS facilities for LACOE and other COEs in the comparative group.

2008-09 Number of JCS Program Facilities	
County	Number of Facilities
Los Angeles	22
Alameda	2
Orange	4
Riverside	8
San Bernardino	5
Ventura	5
Source: Data provided by counties	

Table 59: 2008-09 Number of JCS Program Facilities

RECOMMENDATIONS

1. Probation should pursue funding to redesign or build facilities that are large enough to allow for larger class sizes.
2. Probation should investigate the viability of consolidating some of the halls or camps so LACOE can streamline efficiencies and serve a smaller number of facilities.

Comparative JCS Program Staffing

As noted in the previous Facilities section, LACOE's certificated bargaining unit agreement caps JCS classes at 17:1 for regular classes and at 14:1 if 50% or more of the pupils have an IEP with special day placement (this does not include pupils with IEPs for Resource or DIS designation). PAUs are staffed with a formula that follows the class size language in the bargaining agreement and staffs with one teacher to 17 students, one administrator per PAU, one assistant principal per every 12 classes, one educational counselor per PAU (collective bargaining contract requires more staffing at a ratio of 150 students to one educational counselor), and classified staff. The full PAU staffing formula can be referenced in Appendix F.

In an effort to staff only to the necessary number of teachers and to be proactive in considering budget constraints, the Regional Director of Juvenile Court Schools established a policy, dated August 21, 2008, for hiring non-budgeted regular teachers, which requires schools to show a six-month period of over population before a teacher can be added to the budget. This policy should help to eliminate permanent teachers being hired to accommodate temporary increases in student populations rather than an actual growth in enrollment. This policy is referenced in Appendix G.

Tables 60, 61, and 62 display staffing ratios for the comparison group for 2006-07, 2007-08, and 2008-09. When compared to the JCS programs in the comparative group, only two of the counties have similar constraints with class size, and four of the six counties only stipulate that class sizes must be held at the legally allowed maximum as defined in California Education Code. In 2007-08, LACOE's JCS program has the richest certificated staffing ratio of the comparison group at 12.44:1. The other comparison JCS programs have a much higher ratio, which can help to reduce costs on a per-classroom basis because the majority of comparison JCS programs do not have restrictive class size language and are able to staff at a higher number of students per certificated staff. LACOE's JCS program has the largest number of certificated staff when compared to the comparison COEs for 2006-07 and 2007-08. This is largely the result of the constraints and requirements that LACOE must currently operate within: the U.S. DOJ MOA, student population, established facility limitations, and collective bargaining contract limitations. LACOE's administrator ratio is richer than all but one comparative COE (San

Bernardino). Based on analysis of the collective bargaining agreements, U.S. DOJ MOA, and facilities constraints, it appears that the higher number of administrators is required to manage LACOE's 22 facilities for JCS program education. As referenced in the Comparative JCS Program Facilities section of this report, LACOE has by far the most facilities at which it is required to provide educational services.

2006-07 Staffing Ratios: Comparison JCS Group ¹			
COE	Certificated	Classified	Administrators
Los Angeles	13.81:1	26.05:1	140.68:1
Alameda	17.00:1	31.00:1	372.00:1
Orange	21.00:1	31.00:1	181.00:1
Riverside	16.00:1	38.00:1	135.00:1
San Bernardino	N/A	N/A	N/A
San Diego	14.00:1	28.00:1	428.00:1
Ventura	14.67:1	28.99:1	242.09:1
Source: Data provided by counties			
¹ N/A indicates data is not available.			

Table 60: 2006-07 Staffing Ratios: Comparison JCS Group

2007-08 Staffing Ratios: Comparison JCS Group ¹			
COE	Certificated	Classified	Administrators
Los Angeles	12.44:1	23.71:1	131.97:1
Alameda	17.00:1	34.00:1	406.00:1
Orange	19.00:1	34.00:1	190.00:1
Riverside	16.00:1	38.00:1	142.00:1
San Bernardino	N/A	N/A	N/A
San Diego	14.00:1	12.00:1	317.00:1
Ventura	16.82:1	31.82:1	171.43:1
Source: Data provided by counties			
¹ N/A indicates data is not available.			

Table 61: 2007-08 Staffing Ratios: Comparison JCS Group

2008-09 Staffing Ratios: Comparison JCS Group¹			
COE	Certificated	Classified	Administrators
Los Angeles	12.35:1	25.83:1	133.45:1
Alameda	14.00:1	34.00:1	408.00:1
Orange	21.00:1	41.00:1	279.00:1
Riverside	15.00:1	30.00:1	103.00:1
San Bernardino	12.30:1	9.23:1	246.00:1
San Diego	12.00:1	21.00:1	287.00:1
Ventura	14.76:1	28.09:1	230.57:1
Source: Data provided by counties			
¹ N/A indicates data is not available.			

Table 62: 2008-09 Staffing Ratios: Comparison JCS Group

RECOMMENDATIONS

1. LACOE should investigate the possibility of negotiating concessions in the collective bargaining agreement and make changes that reduce costs. The concessions would have to be agreed to by the bargaining units.
2. Probation should pursue funding in order to redesign or build new facilities to provide classrooms that allow for additional student capacity.
3. Probation should investigate the possibility of consolidating facilities in order for LACOE to streamline operations and costs.

Proposed Residential Service Funding Model

The proposed funding model was developed in response to concerns that the current funding system for JCS fails to acknowledge the extraordinary operational constraints of juvenile court schools, the needs of this unique population, and the inadequacy of the revenue limit-based funding model. The model was assembled from data and concepts developed by a variety of agencies, individuals, and School Services of California, Inc. The complete proposed residential service funding model is included in Appendix H for reference.

The current ADA-funding model used by the state grants a base revenue limit per ADA. The revenue limit funding model only provides money when students are physically attending school; it does not provide support for the staffing that must be in place each and every day in anticipation of students coming to learn and it does not consider the fact that students in the JCS program may have higher-than-average absences in order to attend court hearings or due to safety or security risks determined by Probation staff. Federal and Other State revenues are substantially underfunded and further compound the inequity between revenues received and programs required.

The JCS program, including services to special needs students, has cost LACOE more to operate than it receives in revenue. The encroachment and negative fund balance in the JCS program has continued to grow. As a result, the requirements and costs of the program continue to place pressure on LACOE's fiscal solvency.

As stated in the proposed funding model pilot paper, while the structure of the educational service delivery model is generally sound, given the extraordinary needs of JCS students, the extremely high turnover rate, the percentage of special education students enrolled, the more challenging population, and the complicating custody requirements that accompany the delivery of services, the same cannot be concluded for the funding system. The current funding system fails to take into consideration the practical realities of providing services to these students, ranging from the unpredictability of their enrollment and attendance to their vastly different educational needs. LACOE asserts that because of the following factors, the very structure of the current ADA-funding model guarantees that they will not be sufficiently funded. The proposed residential service funding model proposes that because of the high costs of instruction, little to no control over attendance and enrollment, accommodating the safety requirements of the JCS program while providing educational services, COEs are facing growing financial strains in maintaining their juvenile court schools. The proposed funding model pilot paper proposes that in order to address the deficiencies of the current juvenile court school funding system, the state should establish a court school funding model that stabilizes COE funding by moving away from an ADA-only funding model. Because of the unpredictability of enrollment and attendance in juvenile court school classrooms and the requirement to staff classrooms regardless of student

enrollment and attendance levels on any given day, a new model should provide funding levels that are less sensitive to day-to-day attendance fluctuations. A bed-unit enhancement to the ADA model system would greatly stabilize local funding levels.

This model, which borrows from concepts raised in Stanford University's 2007 study, *Getting Down to Facts: School Finance and Governance in California*, authored by Susanna Loeb, Anthony Bryk, and Eric Hanushek, recognizes the full complement of teaching staff, support staff, materials and supplies, and administrative overhead that is needed to offer instruction to a complement of students residing at a juvenile hall or other court school setting. These variables can be adjusted to meet the needs of the program.

The residential funding model was developed as a notional model to be used to present a new idea and way of thinking about funding the program. When this model was developed, one of its goals was to present a way to close the deficit gap. This model was created using the actual deficit and ADA for LACOE for 2006-07. In LACOE's reported budget data, the budget deficit for 2006-07 was \$6,228,847. The state certified ADA for 2006-07 was 4,220.30.

Because the notional model was created to close the gap of funding received by the state for LACOE's JCS program, the funding received would only supplement the base revenue limit to allow the JCS program to break even, not generate extra revenue. As the model has evolved and been revised, it does not accurately account for the SELPA revenue received by each classroom which affects the total underfunded amount and additional funding per ADA amount referenced in the model. The model, which is a work in progress, should be revised to correctly reflect all revenues and expenditures. It is important to understand that because this model was created to subsidize the funding received, the actual dollar amounts indicated for each variable are not necessarily correct because the variables were derived at a certain point in time with the explicit goal to close the deficit. The ADA variable used in the model accounts for the actual ADA funded, but does not account for the actual number of students in school each day because of the way ADA is calculated. If a student is in attendance for every day of the 12 month program, one student would earn 1.37 ADA per year, but because of the nature of the JCS program, the range of student incarceration varies; many students are in a transient status, attending school for a fraction of the 12 month program. As a result, in order to calculate the number of bed units needed, it is important that the model is revised to reflect the number of students actually in attendance, not the number of ADA. If the model was to be implemented, more research and data collection should occur in order to obtain the most current and correct variable information.

Based upon the original model, the following additional funding was calculated as needed to implement the bed unit enhancement model: the 17-bed unit enhancement model would require \$12,684,826.26, the 15-bed unit enhancement model would require \$19,497,290.50, and the 20-bed unit enhancement would require \$5,021,112.70. Based upon the current budget information

provided by LACOE, the additional funding needed (the difference between revenues and expenditures) is as follows: for 2006-07: \$6,228,867.38 (\$1,475.93 per ADA times 4220.30 ADA = \$6,228,867.38), for 2007-08: \$11,238,277.35 (\$2,838.68 per ADA times 3,958.98 = \$11,238,277.35), and for 2008-09: \$20,120,452.12 (\$5,025.59 per ADA [estimated] times 4,003.60 ADA [estimated] = \$20,120,452.12). As the model continues to evolve, it should be revised to reflect these actual amounts.

This proposal is not complete, and the variables used in the model are not necessarily reflective of actual contributions required to meet the needs of LACOE's JCS program. This proposal is a notional model, and should be revised to reflect actual variable amounts such as SELPA contributions, teacher salaries, and special education costs.

It is most important to recognize that this funding model cannot be implemented without legislation to allow this model to be implemented or at least be tested and establishing a pilot program. The current version of LACOE's proposed funding model, if implemented, should be revised to reflect all the potential variables of expenditure and revenue when developing the formula. The proposed funding model was developed as a sample of a type of model, based on bed unit enhancement model, and was not created as a final funding model for LACOE's JCS program. Because of this, it would not be appropriate to compare actual projected revenues and expenditures, and those per capita amounts between the current ADA-funding model, and the proposed residential services funding model.

The proposed residential service funding model is referenced in Appendix H. At this time, it is a notional model of how reform could look. In order for the proposed residential service funding model to be implemented, it would require legislation and appropriation of a much higher level of funding. In the short term, it is highly unlikely that the state will adopt this change.

Currently, there is a bill number and author Senate Bill 698 (Negrete McLeod) for changes to JCS funding; however, it is a work in progress and doesn't currently address the need for additional funding.

RECOMMENDATIONS

1. LACOE should revise the Proposed Funding Model to reflect actual variable amounts such as SELPA contributions, teacher salaries, special education costs, and additional costs of implementing the 35 Recommendations. It is important to note the bill is a work in progress and has not been finalized.

35 Recommendations

In an effort to improve LACOE's JCS program, the Los Angeles County Comprehensive Education Reform Committee was convened at the request of Los Angeles County Board of Supervisors. The result of the Comprehensive Education Reform Committee's work is reflected in the 35 Recommendations. The current ADA-funding model used by the state grants a base revenue limit per ADA. The residential funding model was developed as a notional model to be used to present a new idea and way of thinking about funding the program. When this model was developed, one of its goals was to present a way to close the deficit gap. This model was created using the actual deficit and ADA for LACOE for 2006-07.

The proposed residential services delivery model notional model was developed to attempt to eliminate the deficit that LACOE has incurred as a result of a disparity of funding versus actual expenditures. If the 35 recommendations will require funding, it has not been considered in the notional model.

As referenced previously, LACOE's JCS program is facing a structural deficit under the current ADA-funding model, and the proposed residential delivery model is not intended to generate additional discretionary revenue. The purpose of the proposed residential delivery model is to put in place a funding model to allow for the LACOE JCS program to receive enough revenue to be able to deliver the required programs and staffing. As a result, any of the 35 Recommendations that are contained in the Los Angeles County Comprehensive Education Reform Committee's report that require additional staff, programs, or any funding, cannot be implemented without increasing the deficit in LACOE's JCS program, or providing an additional revenue stream.

SSC was not asked to cost out the 35 Recommendations, and because they are unique to LACOE, funding is not included in the proposed residential service funding model, or in state legislation. While SSC was not asked to cost out the Recommendations, it is obvious that virtually all Recommendations would have implied costs and would require additional funding, or would be implemented at the cost of increasing LACOE's current structural imbalance.

Conclusion

In summary, LACOE faces a fiscal challenge stemming from chronic underfunding by the state and federal government and the requirement to provide educational services to students with some of the highest needs. Revenue limit income, which provides the majority of revenue to the JCS program, is not adequate to serve student needs. In addition to the underfunding of the program, the state is further reducing revenue to the program for the current and next fiscal year. There are internal and external factors that create higher costs in LACOE's JCS program. We discuss these factors throughout the report in the areas of collective bargaining agreements, high number of facilities to serve students, physical facility limitations, and the U.S. DOJ MOA requirements. LACOE has a continued commitment and requirement to educate JCS students and does not appear to be in a position to make reductions in expenditures due to internal and external compliance requirements.

Specific recommendations are identified throughout this report, and we recommend that LACOE and Probation consider the feasibility of implementing any or all recommendations. It is neither feasible nor advisable to immediately implement all recommendations. Rather, a schedule should be developed that prioritizes the recommendations, identifies the responsible person(s), provides human and budgetary resources, and establishes a timeline for completion of each item.

Summary Recommendations

Summary Recommendations	
Area	Recommendation
<u>LACOE's Use of JCS Program Funds</u>	
LACOE's Use of JCS Program Funds	<ol style="list-style-type: none"> 1. LACOE should continue to use CSAM guidance to account for revenues and expenditures of JCS funding. 2. LACOE should continue to use the SACS and track expenditures by Goal and Location.
Budgeting	<ol style="list-style-type: none"> 1. LACOE should update the budgeted numbers, at a minimum, on a quarterly basis so budgeted numbers reflect expected expenditures.
LACOE JCS Program Revenues and Expenditures	<ol style="list-style-type: none"> 1. LACOE should initiate discussion with school districts to investigate the possibility of having districts pay for the excess costs to educate JCS students. 2. LACOE should improve the estimates of JCS program expenditures during the year by projecting salary savings due to vacancies through the end of the budget year and make budget adjustments in the financial system to reflect the changes in all areas of expenditures in the JCS program budget. 3. LACOE should review the JCS program budgeted expenses for other operating services in 2008-09 to determine if the budgeted amount as of the first interim reporting period is accurately projected as it has been over-budgeted in previous years. 4. LACOE should carefully monitor the estimated actuals and unaudited actuals to ensure that LACOE is accurately projecting JCS program expenditures. 5. LACOE should work to budget the expenditures at a more accurate level in order to avoid excessive overbudgeting to create a more usable and true budget. 6. LACOE should consider the benefit of budgeting and tracking line item expenditures and revenues by each facility and PAU. 7. LACOE should continue to pursue all possible streams of revenue, such as grants, categorical programs, and any local revenue opportunities.

Summary Recommendations

LACOE JCS Program Structural Deficit	<ol style="list-style-type: none"> 1. LACOE should continue to pursue all possible streams of revenue, such as grants, categorical programs, and any local revenue opportunities. 2. LACOE should continue to streamline the JCS program to ensure that the program is running efficiently to reduce expenditures and maximize the use of available revenues. 3. LACOE should determine if there are other ways to meet the compliance requirements of the U.S. DOJ MOA and eliminate staffing to reduce costs.
LACOE JCS Program Per Capita Measurements	<ol style="list-style-type: none"> 1. LACOE should continue to pursue all possible streams of revenue, such as grants, categorical programs, and any local revenue opportunities. 2. LACOE should continue to streamline the JCS program to ensure that the program is running efficiently to reduce expenditures and maximize the use of available revenues. 3. LACOE should determine if there are other ways to meet the compliance requirements of the U.S. DOJ MOA and, if possible, eliminate staffing to reduce costs.
LACOE JCS Program Revenue Limit Funding	<ol style="list-style-type: none"> 1. LACOE should pursue legislation that would increase JCS funding to cover the costs of operating the program.
Comparative Review	
Comparative JCS Program Revenues and Expenditures	<ol style="list-style-type: none"> 1. LACOE should pursue legislation that increases JCS funding to a level commensurate with the effort to provide services to students in the JCS program. 2. LACOE should find ways to decrease expenditures, if possible, while complying with the U.S. DOJ MOA.
Comparative JCS Program Per Capita Measurements	<ol style="list-style-type: none"> 1. LACOE should continue to pursue all possible streams of revenue, such as grants, categorical programs, and any local revenue opportunities. 2. LACOE should work to contain expenditure costs where possible while still meeting the compliance requirements of the U.S. DOJ MOA.

Summary Recommendations

Comparative JCS Program Student Population	1. There are no recommendations for this category.
Comparative JCS Program Fees	1. LACOE should determine if school districts will enter into an MOU to reimburse LACOE for excess education costs. It is important to note that a school district would have to agree to enter into the agreement to reimburse LACOE for excess education costs.
Comparative JCS Program Facilities	<ol style="list-style-type: none"> 1. Probation should pursue funding to redesign or build facilities that are large enough to allow for larger class sizes. 2. Probation should investigate the viability of consolidating some of the halls or camps so LACOE can streamline efficiencies and serve a smaller number of facilities.
Comparative JCS Program Staffing	<ol style="list-style-type: none"> 1. LACOE should investigate the possibility of negotiating concessions in the collective bargaining agreement and make changes that reduce costs. The concessions would have to be agreed to by the bargaining units. 2. Probation should pursue funding in order to redesign or build new facilities to provide classrooms that allow for additional student capacity. 3. Probation should investigate the possibility of consolidating facilities in order for LACOE to streamline operations and costs.
Proposed Residential Service Funding Model	1. LACOE should revise the Proposed Funding Model to reflect actual variable amounts such as SELPA contributions, teacher salaries, special education costs, and additional costs of implementing the 35 Recommendations. It is important to note the bill is a work in progress and has not been finalized.
35 Recommendations	1. There are no recommendations for this category.

Appendix A—Barry J. Nidorf PAU Staffing

Nidorf Staffing effective July 1, 2005



**Los Angeles County
Office of Education**

Dr. Darline P. Robles
LOS ANGELES COUNTY
SUPERINTENDENT OF SCHOOLS

Dr. Robert R. Barner
ASSISTANT SUPERINTENDENT
EDUCATIONAL PROGRAMS

File

The Division of Juvenile Court & Community Schools

Larry Springer, Director



CHART 07

Page 07 of 11

NIDORF PAU

060-010 - Principal
069-025 - Asst. Prin.
069-092 - Asst. Prin.
069-135 - Asst. Prin.
110-129 - Counselor
041-024 - Sr. Prog. Sp.

Newell, Gloria
Westmore, Monte
Douglas, Sally
May, Audrey (.S)
Lee, Roxanne
Permtala, Gerald

571-042
Sch. Admin. Sec.
Huntington, Barbara

160-018 - Teacher	Ricks, Mary	565-010 - Sr. Sch. Clerk	Dejbakhsh, Rosalinda
160-023 - Teacher	Tcka, Kiflu	565-049 - Sr. Sch. Clerk	Hysaw, Shirley
160-024 - Teacher	Escalante, Danna	565-100 - Sr. Sch. Clerk	Mercado-Kelly, Alicia
160-028 - Teacher	Silva, Bon	565-260 - Sr. Sch. Clerk	Ellison, Betty
160-030 - Teacher	Jones, Zipora	708-320 - Paraed./BMI	Thompson, Pauline
160-050 - Teacher	Malloy, Michael	719-619 - Paraed.	Potter, Katina (Cat F)
160-063 - Teacher	Colet, Steve	719-640 - Paraed.	VACANT (Cat F) (Sub. Paraed.) - <i>Chk</i>
160-xxx - Teacher/TI	(Larson, Pamela)	719-667 - Paraed.	VACANT (Cat F) - <i>Swan</i>
160-092 - Teacher	Borras, Valeria	719-839 - Paraed./BMI	Brown, Karen
160-114 - Teacher	Wilson, V. Saundra (ortd Sub.)	720-149 - Paraed./Rd.	Piersen, Lori (Cat F)
160-115 - Teacher	Coleman, Charles Jr.	898-126 - Paraed./SGI	VACANT
160-125 - Teacher	Nyenke, Sunday	898-127 - Paraed./SGI	Bach, Carol 719-054
160-126 - Teacher	Washington, LaShun	776-021 - DPS	Chapman, Robert
160-139 - Teacher	Whiting, John	396-002 - DPA	Pailliotte, John (Cat F)
160-153 - Teacher	Albanese, James	813-012 - Custodian	Brown, Harvey
160-160 - Teacher	Barrera, Hebe	813-023 - Custodian	Luciano, April
160-xxx - Teacher/TI	(Hess, Sandra)	813-028 - Custodian	VACANT (Sub. Cust. / Moreno, F) <i>fixed</i>
160-179 - Teacher	Johnson, John H.		
160-235 - Teacher	Kern, James		
160-293 - Teacher	Sharma, Ravindra		
160-351 - Teacher	Perez, Norberto		
160-352 - Teacher	Lewis, Mark		
160-353 - Teacher	Berke, David		
160-355 - Teacher	Scheff, Stephen		
160-361 - Teacher	Johnson, Elena		
160-454 - Teacher	Bermudez, William		
160-455 - Teacher	Chandi, Jagjit		
165-106 - Teacher/SGI	Morch, Melissa		
165-117 - Teacher/SGI	VACANT		

*SELPA Staff

070-039 - Psychologist
070-034 - Psychologist
121-038 - Teacher/LSS
144-065 - Teacher/SDC
165-007 - Teacher/RSP
165-020 - Teacher/RSP
565-239 - Sr. Sch. Clerk
708-031 - Paraed./BMI
719-249 - Paraed./SDC
719-693 - Paraed./LSS

Sciollini, Viviane
Sandra Elson
Jimenez, Diane
VACANT *fixed*
Lupinski-Reese, Mary
Blackledge, Carolyn
Jordahl, Jerrie
Porter, Maranita
Fabela, Alejandro
Munoz, Diana

Italicized Print:

Henderson Anderson, Challenger is home site.

*SELPA - PAU staff managed by LACOE SELPA
DIV. ORG. CHARTS - 07/Nidorf 05-06 OC/LS/IF - LTMarks

Effective: July 01, 2005
Revised: June 24, 2005/bh

Nidorf Staffing effective February 2, 2009



**Los Angeles County
Office of Education**

Leading Educators • Supporting Students • Serving Communities

Darline P. Robles, Ph.D., Superintendent

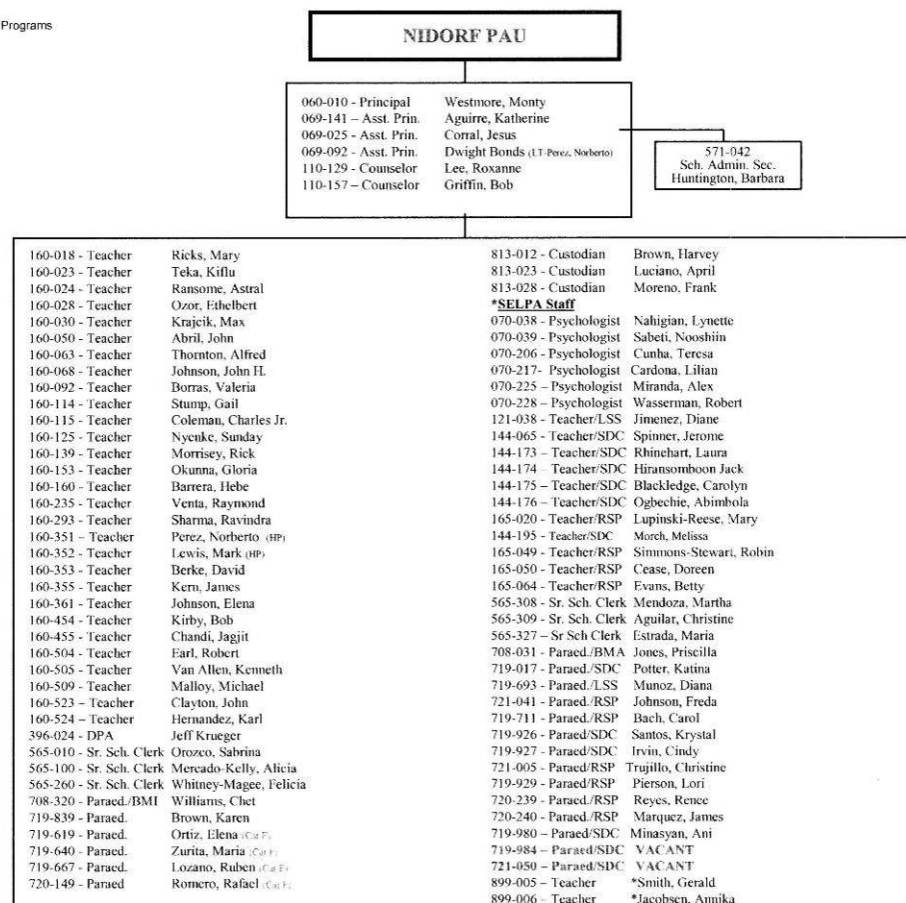
Robert R. Barner, Ph.D., Assistant Superintendent, Educational Programs

The Division of Juvenile Court & Community Schools
Dr. William Elkins, Interim Director



CHART 07

Page 07 of 11



Effective: 2/2/09

DIV. ORG. CHARTS - 07 / Nidorf 07-08 OC /

Appendix B—Comparative JCS Programs Bargaining Agreements: Class Size

Los Angeles County Office of Education

LACOE
ARTICLE XII
CLASS SIZE

17:1
15:1 if 50% or
have IEP w/
special day placement
doesn't include pupil
w/ IEPs for
Resource or
DIS
designation

- A. Enrollment in Special Education classes shall not exceed an amount which would produce an average enrollment above ten (10) across all SELPAs (Special Education Local Plan Areas) of which the Office is a part. Enrollment in specific classes shall not exceed maximums as designated below:
1. Level I classes shall enroll pupils with exceptional needs whose functioning levels are such that they require direct, continual supervision by a special education teacher and demonstrate any combination of three of the following descriptors or descriptor g.
 - a. Unable to work independently, requires constant, direct supervision
 - b. Primarily requires individual activities/tasks
 - c. Unable to self-monitor; control of behavior requires highly structured setting
 - d. Requires direct assistance by the teacher, on a regular basis, in toileting or feeding
 - e. Exhibits severe self-abuse or abuse to others
 - f. Exhibits self-stimulating behavior which requires constant intervention
 - g. Requires a specialized physical health care procedure(s) on a regular basis where a health care aide, or other appropriate non-instructional person is not available
- Level I class size shall not exceed ten (10).
2. Level II classes shall enroll pupils with exceptional needs whose functioning levels are such that they require direct supervision of a special education teacher and demonstrate functioning levels as follows:
 - a. Works independently for short periods with continual supervision
 - b. Does not require individual activities/tasks and is able to perform some activities/tasks in a group
 - c. Self-monitors and controls behavior in a structured setting
 - d. Requires periodic monitoring in toileting and/or feeding

Los Angeles County Office of Education

- 1
- 2 E. The average caseload for Resource Specialists shall be no more than twenty-four
- 3 (24) pupils across all such programs operated by the Office. No Resource Specialist
- 4 shall have an actual caseload which exceeds twenty-eight (28).
- 5 F. In the Juvenile Court School programs the assignment and caseloads for Educational
- 6 Counselors are based on the number of students transitioned into their community
- 7 schools, geographical area to be served, individual needs of pupils, and other
- 8 relevant factors.
- 9 Educational Counselors shall have the opportunity to provide input regarding the
- 10 above factors to the administrator responsible for their assignment and caseload.
- 11 The caseload of Educational Counselors shall not exceed, at any one time, one
- 12 hundred and fifty (150) assigned pupils.
- 13 G. In the Juvenile Court School programs, the class size shall not normally exceed
- 14 seventeen (17) pupils per teacher. For five (5) workdays, within a register period,
- 15 the pupil attendance may exceed seventeen (17) but may not exceed nineteen (19)
- 16 except in institution based programs where the total may not exceed eighteen (18).
- 17 These limits do not apply in emergency situations when pupils must be distributed
- 18 among the remaining unit members with area administrator approval.
- 19 Distribution of pupils among all classes shall be accomplished in a manner equitable
- 20 to the unit members. The class size will be lowered to fourteen (14) pupils if fifty
- 21 percent (50%) or more of the pupils have an IEP with special day placement. This
- 22 does not include pupils with IEPs for Resource or DIS designation.
- 23 H. In the Outdoor Education program, the maximum class size per Outdoor Education
- 24 teacher shall not exceed forty-five (45) pupils at any one time.
- 25 I. In the Regional Occupational program, the caseload for Counselors shall be
- 26 determined by the Office, taking into consideration input from appropriate unit
- 27 members.
- 28 J. Class sizes for programs in the Division of Alternative Education will be as follows:
1. Enrollment in classes for Specialized High Schools shall not exceed an average of thirty (30) pupils per class.
 2. Enrollment in any individual Independent Study Strategy (ISS) Program class shall not exceed twenty-five (25) students at any time. All ISS classes shall be assigned fifteen (15) hours of paraeducator time per week.

Los Angeles County Office of Education

3. Enrollment in classes for the Community School Program (CSP) shall not exceed twenty-five (25) CSP classes will be assigned fifteen (15) hours of Paraeducator time.
 4. Enrollment in class for Alternative Schools with Purpose (ASWP) shall not exceed twenty-five (25) ASWP classes will be assigned a six (6) hour Paraeducator.
 5. Enrollment in classes for Cal Safe Programs (Pregnant Minor program) shall not exceed a maximum of thirty (30) pupils at any one time.
- DAE teachers will have adequate instructional workspace to reasonably accommodate daily instruction and have access to space for privacy in conferences and meetings.

Alameda County Office of Education

ARTICLE 15
CLASS SIZE*Alameda*
16:1
more flexible to 35:1

- A. Class sizes in the Juvenile Court School shall not exceed the following numbers of pupils:
1. The physical education class size in the Buena Vista Education Center may only exceed fifteen (15) students up to a maximum of twenty-five (25) students when one (1) additional adult supervisor is provided and may exceed twenty-five (25) only when two (2) additional adult supervisors are provided, but in no case shall the class exceed thirty-five (35) students.
 2. The physical education class size in the Buena Vista New Wing units may exceed fifteen (15) students up to a maximum of twenty-five (25) students only when additional supervisors are present in the unit.
 3. During any calendar month, a Community School Class shall not exceed an average attendance of fifteen (15) students.
 4. All other classes, sixteen (16).
- B. Class sizes in the CalSAFE program shall normally not exceed an average daily attendance of thirty (30) to one (1) in two (2) consecutive months.
- C. Class size and enrollment in the infant program will be based on State Department of Education guidelines.
- D. During any calendar month, an Independent Study teacher shall meet and instruct no more than an average of twenty-four (24) students.

Orange Department of Education

Orange

17:1 or 19:1 to get 17
25:1 @ prob intake living
unit

ARTICLE 10 - EMPLOYMENT CONDITIONS

10.1 Alternative Education10.1.1 Hours

10.1.1.1 The maximum time requirement for primary duties shall be as follows:

- a) seat time instruction assignments: 300 minutes (includes institutional schools, group homes, day centers, community schools and alternative academies);
- b) contract learning assignments (excluding Orange County Community Home Education Program, Pacific Coast High School, and Project HOPE): 360 minutes;
- c) Orange County Community Home Education Program, Pacific Coast High School, and Project HOPE assignments: 375 minutes; and
- d) combined seat time and contract learning assignments: 360 minutes (applies when both assignments are less than full time).

10.1.1.2 Adjunct duties, which shall be included as criteria for evaluation, shall be performed according to the unit member's personal schedule and are expected to be completed at the professional level. Some adjunct duties will require on-the-job performance by the unit member.

10.1.1.3 Primary duties shall be defined as those involving direct unit member-student interaction. Adjunct duties refer to responsibilities typical of certificated unit members, including: preparation, coordination, training, grading and conference (student, parent or probation staff).

10.1.1.4 Unit members in the Orange County Community Home Education Program are required to perform certain instructionally-related duties which occur outside the regular work day. These duties will be determined by the unit members and the administrators at the planning sessions at the beginning of the school year.

10.1.2 Class/Roster Size10.1.2.1 Seat Time Instruction

① *Att: Byron*

Orange Department of Education

10.1.2.1.1 Institutional-Based Classrooms (Including Juvenile Justice Institutions, County of Orange
Operated Social Service Institutions and County of Orange Operated Group Homes)

10.1.2.1.1.1 The class size standard shall be seventeen (17) students in attendance per teacher
per instructional period. Up to nineteen (19) students may be assigned to a
classroom to achieve a class of seventeen (17) attending. Up to nineteen (19)
students may be in attendance in any one class period not to exceed ten (10)
consecutive days. This class size provision may be modified with Association and
Department approval.

10.1.2.1.1.2 When class settings take place within a probation intake living unit, the class size
standard in Section 10.1.2.1.1.1 shall be twenty-five (25) students in attendance per
teacher. (This standard will be effective July 1, 2000.)

10.1.2.1.1.3 The parties agree to pursue a goal of ensuring all classrooms provide the statutorily
required space.

10.1.2.1.2 Community-Based Classrooms

10.1.2.1.2.1 The class size standard shall be nineteen (19) students in attendance per teacher per
instructional period. Up to twenty-one (21) students may be assigned to a classroom
to achieve a class of nineteen (19) attending when adequate square footage (160 sq.
ft. per teacher and 28 sq. ft. per student), materials and equipment are provided. An
increased number of students not to exceed a total of twenty-five (25) may be
assigned to a classroom by mutual consent (Shall be arranged in advance; see form
in Appendix) of the administrator and teacher to achieve a class size of nineteen (19)
students in attendance. Up to twenty-one (21) students may be in attendance in any
one class period not to exceed ten (10) consecutive days.

10.1.2.1.2.2 When adequate square footage (160 sq. ft. per teacher and 28 sq. ft. per student),
materials and equipment are not provided, the class size standard shall be seventeen

-33-

Orange Department of Education

(17) students in attendance per teacher per instructional period. Up to nineteen (19) students may be assigned to a classroom to achieve a class of seventeen (17) attending. An increased number of students not to exceed a total of twenty-five (25) may be assigned to a classroom by mutual consent (Shall be arranged in advance; see form in Appendix.) of the administrator and teacher to achieve a class size of seventeen (17) students in attendance.

10.1.2.1.2.3 This class size provision may be modified with Association and Department approval.

10.1.2.2 Contract Learning Instruction Assignments (Excluding Orange County Community Home Education Programs)

10.1.2.2.1 The standard roster size for Contract Learning Assignments shall not exceed: a) thirty-eight (38) students assigned to each teacher; b) thirty (30) students assigned to each teacher in the teen parenting program. This roster size provision may be modified with Association and Department approval.

10.1.2.2.2 Assigned students are to be deleted from rosters within a reasonable period of time when the teacher has knowledge that a student is to be dropped or placed on an administrative hold in accordance with Department policy.

10.1.2.2.3 Depending upon the school calendars of districts served, up to four (4) additional students may be assigned to a teacher during the last three (3) weeks of the fall or spring semesters to replace students who are graduating or returning to the district schools.

10.1.2.2.4 It is in the interest of all parties that teachers monitor the attendance and progress of students assigned in order to provide for the highest level of services for the highest number of students who could be enrolled in the program. The expectation is to capture an attendance average of 60% of enrollment per teacher during any consecutive three (3) student attendance months.

Orange Department of Education

10.1.2.3 Orange County Community Home Education Programs

10.1.2.3.1 The standard roster size for the Orange County Community Home Education Program shall not exceed thirty-six (36) students assigned to each teacher. This roster size provision may be modified with Association and Department approval.

10.1.2.4 Combined Seat Time and Contract Learning Assignments

10.1.2.4.1 When both assignments are less than full time, the combined number of students assigned to each teacher shall not exceed a standard of thirty-two (32) students. This roster size provision may be modified with Association and Department approval.

10.1.3 Working Conditions

10.1.3.1 Up to three (3) days each year will be set aside for teacher inservice sessions.

10.1.3.2 The responsibilities for organizing the inservice will be the Department's in cooperation with the Association.

10.1.3.3 These days will be regular work days, and all teachers will be required to attend.

10.1.4 Unit members may, upon one (1) week's notice, be requested to participate in a reasonable amount of inservice training.

10.2 Deaf and Hard of Hearing

10.2.1 Hours

10.2.1.1 The maximum time requirements for primary duties will be consistent with the on-site program and will not exceed 300 minutes.

10.2.1.2 Adjunct duties, which shall be included as criteria for evaluation, shall be performed according to the unit member's personal schedule and are expected to be completed at a professional level. Some adjunct duties will require on-the-job performance by the unit member.

10.2.1.3 Primary duties shall be defined as those involving direct unit member-student interaction. Adjunct duties refer to responsibilities typical of certificated unit members, including preparation, coordination, training, grading, and conference (student, parent or staff).

Riverside County Office of Education

*Riverside
Flexible legal max***ARTICLE XII****CLASS SIZE**

12.1 The class sizes will not exceed the legally permissible maximums. The provisions of state law and regulations will apply in all appropriate cases.

12.2 The Employer shall not be arbitrary or capricious in the assignment of the class size.

12.3 Special Education class sizes will be established and maintained consistent with state law and applicable regulations. Factors to be considered in the determination of class size and student loads are instructional strategies, student population, level of instructional aide support, extra duties expected of the teacher, parameters or requests made by agency partners (where applicable), facilities, enrollment patterns, and other pertinent factors. Decisions regarding class size or student loading will be made in consultation whenever possible with the affected teacher(s). Enrollment will be guided by program-specific targets and management will retain the right to make class size and caseload decisions.

San Bernardino Superintendent of Schools

*San Bernardino
Flexible - legal max*

6.7.11 If one of the participants in a shared assignment should resign, go on leave, or return to full-time employment, the position being shared shall be filled by the remaining participant if he/she so requests.

6.7.12 At the completion of the shared assignment, a request to be reinstated as a full-time teacher will be handled as a voluntary transfer request.

6.7.13 Revision or termination of the Shared Teacher Assignment Program will not modify the status of personnel who entered the program prior to the effective date of the modification or revision.

6.8 CalSTRS Reduced Workload Program – The Reduced workload Program allows a unit member to receive full-time service credit while working part-time (at least 50%) for up to ten years, normally the last ten years before retirement. Should a unit member wish to participate in the Reduced Workload Program, the following shall apply:

6.8.1 Adhere to Section 6.7 above, with the following exceptions: full-time service credit will be earned by the participating unit member and the County Schools will pay full-time contributions to California State Teachers' Retirement System (CalSTRS). These contributions will be paid on the full-time earnable salary rather than the actual part-time salary earned while participating in the program.

6.8.2 The unit member shall be 55 years old or older;

6.8.3 The unit member has to have been employed full-time for a minimum of (10) years performing creditable service;

6.8.4 The unit member has to have been employed full-time performing creditable service (5) five consecutive years immediately before entering the program;

6.8.5 Each unit member sharing an assignment will receive district paid benefits as a full-time employee, instead of the benefits being prorated while participating in the program;

6.8.6 The County shall benefit financially on every request made when authorizing a unit member to participate in the program;

6.8.7 The County reserves the right to deny such request of participation in the program, such as for programmatic reasons, in the best interest of the County Schools.

Article 7: CLASS SIZE

7.1 County class sizes will not exceed the legally permissible maximums. The provisions of state law and regulations will apply in all appropriate cases.

San Diego County Office of Education

no article

APPENDIX "B"

**Negotiated Agreement
Between**

**San Diego County Office of Education
and
Association of Educators**



2005 – 2008

July 2005
July 2006

Ventura County Office of Education

Ventura

ARTICLE 18. CLASS SIZE

- 18.1** Class size is regulated by a number of factors, including but not limited to funding by program, safety of students and staff, location of student population, State Law, unit member workload, instructional strategy/setting and student learning. Student loading (number of students permitted in classroom) will be determined by the square footage of the classroom and other relevant factors.
- 18.2** To the extent it is reasonably possible, class sizes should be equitably assigned within a particular program.
- 18.3** In the event class size becomes a problem at a particular site, department, or program, a site/department/program-based committee that includes the assigned site administrator, shall address ways to improve the situation.

Gateway Class Size Procedure

The ratios set out below for Gateway are guidelines not maxima.

- 18.4** Class size/teacher/student ratios were established based on the premise that class size and student attendance (daily student production/independent study) are interdependent. In order to generate the requisite amount of ADA per year daily students must attend a minimum of 75% of the instructional days and Independent students must produce a minimum of 70% of their contract work.
- 18.4.1** For the Gateway Seat Time Option, the standard configuration will be 24:1 (24@ 75% = 18 regular attendees). Exceptions to the standard configuration (based on square footage or other factors) will be determined by a committee comprised of site administration and two teachers.
- 18.4.2** For the Gateway Independent Study Option, the standard configuration will be 36:1 not to exceed 27 ADA and will be generated by an Independent Study teacher during the course of a school year.
- 18.4.3** For the Gateway Combination Daily/Independent Study option, i.e. where caseload is split between daily students and independent study students, the standard configuration will be 31:1.
- 18.5** Site Administration will set as a goal that class loads be consistent with established ratios.
- 18.6** The budgeted and actual average daily attendance (ADA) will be reviewed when caseload (class size) is identified as an issue. When the actual ADA meets or exceeds the budgeted ADA for an individual teacher, a committee composed of the site administrator and at least two teachers (one of whom will include the impacted teacher) will meet. The committee will meet and make recommendations to the Associate Superintendent for possible changes, additions and/or movement of students to more equitably distribute caseload (class size). The committee will meet and make recommendations within 15

Ventura County Office of Education

calendar days after verified attendance data is available. In the interim, while the committee is doing its analysis, the site principal may add short term/temporary staff to alleviate unanticipated class load imbalances, redistribute students to other teachers or other reasonable solutions. The timeline may be modified by mutual agreement.

Appendix C—San Diego COE Special Education Services MOU Description



Special Education Services

Juvenile Court and Community Schools (JCCS) MOU with the San Diego County SELPAs

MOU Description:

- Developed between the County Office and six local SELPAs
- PURPOSE:
 - Ensure students attending school in County Juvenile Court and Community Schools have access to special education services
 - Sharing of information concerning student's educational status and background
- SCOPE OF SERVICES:
 - Mutually agree to develop a plan and system for providing educational programs
 - Review of programs
 - Working together to maintain quality services
- JCCS PROGRAMS SERVING SPECIAL EDUCATION STUDENTS
 - Describe program-definitions:
 - Juvenile Court Schools
 - County Community School
 - Licensed Children's Institutions (if applicable)
 - Who served
 - County responsibility
 - District responsibility
 - Communication
 - Determine program design/delivery system to be used in JCCS
 - Determine review process of JCCS program and quality as well as program costs
- OTHER ELEMENTS TO CONSIDER:
 - Cost
 - Determine program budget and excess cost, if any
 - Students
 - District liaison
 - Method of reporting
 - Method of verification
 - Surrogate parents

Appendix D—Class Loading Maximums

Los Angeles County Office of Education
 Juvenile Court Schools
 Angeles Forest PAU
 1/29/2009

SITE	POSITION #	POSITION	NAME	Capped/ Special Pop.	# OF STUDENTS ALLOWED	CLASSROOM DESCRIPTION
Afflerbaugh/Paige	160-002	Teacher	Moseanko, Kathy			
	160-009	Teacher	Renfro, David			
	160-056	Teacher	Reyes, Alfredo			
	160-150	Teacher	Brown, Robyn			
	160-162	Teacher	Bernal, Nony			
	160-176	Teacher	Velasquez, Juan			
	160-216	Teacher	Davis, John Lawson			
	160-250	Teacher	Hayford, Joseph			
	160-403	Teacher	Stewart, Zipora			
	160-419	Teacher	Scott, Kimberly			
Eggleston	165-101	Teacher/RST	Schooley, Mary	X	Varies	Classroom is Limited to Pull-outs
	160-525	Teacher/EL	Vinski, Sonia			
	160-278	Teacher	Akins, Jewel			
	160-340	Teacher	Brodzki, Zenon			
	160-004	Teacher	Norman, Vernon			
	160-044	Teacher	Bindra, Avinderjit			
	160-140	Teacher	Quik, Diana			
	160-245	Teacher	McKinley, Mark			
	160-405	Teacher	Vinski, Dale			
	144-183	Teacher/SDC	Jessie Spinner	X	14	Special Day Class
SELPA	121-029	Teacher/LSS			No Classroom	Special Service
	165-031	Teacher/RSP	Awuchi, Rose		No Classroom	
	165-044	Teacher/RSP			No Classroom	

Number of Special/Capped Classrooms	2
-------------------------------------	---

as3/11/2009

1

Angeles Forest PAU

Los Angeles County Office of Education

Juvenile Court Schools

Barry J. Nidorf PAU

1/29/2009

SITE	POSITION #	POSITION	NAME	Capped/ Special Pop.	# Of STUDENTS ALLOWED	CLASSROOM DESCRIPTION
	160-018	Teacher	Ricks, Mary			
	160-023	Teacher	Teka, Kifu	X	No Classroom 10-11	Guidance Center - Small Physical Classroom
	160-024	Teacher	Ransome, Astral			
	160-028	Teacher	Ozor, Ethelbert			
	160-030	Teacher	Krajcik, Max			
	160-050	Teacher	Abiri, John			
	160-063	Teacher	Thornton, Alfred			
	160-068	Teacher	Johnson, John H.			
	160-092	Teacher	Borras, Valeria			EL Students
	160-114	Teacher	Stump, Gail			
	160-115	Teacher	Coleman, Charles Jr.	X	14	Small Physical Classroom
	160-125	Teacher	Nyenke, Sunday			
	160-139	Teacher - SHU	Morrissey, Rick	X	Varies up to 17	Special Population
	160-153	Teacher	Okunna, Gloria			
	160-160	Teacher	Barrera, Hebe			
	160-235	Teacher	Venta, Raymond	X	14	Small Physical Classroom
	160-293	Teacher - Unit Y SHU	Sharma, Ravindra	X	Varies up to 17	Special Population
	160-351	Teacher	Perez, Norberto			
	160-352	Teacher	Lewis, Mark			
	160-353	Teacher	Berke, David		No Classroom	Assessment
	160-355	Teacher	Kern, James			
	160-361	Teacher	Johnson, Elena			
	160-454	Teacher	Kirby, Bob			
	160-455	Teacher	Chandi, Jagjit			
	160-504	Teacher	Earl, Robert			
	160-505	Teacher - J-K	Van Allen, Kenneth	X		Special Population
	160-509	Teacher/EL	Malloy, Michael		No Classroom	
	160-523	Teacher	Clayton, John			
	160-524	Teacher	Hernandez, Karl			
SELPA	121-038	Teacher/LSS	Jimenez, Diane		No Classroom	Special Service
	144-065	Teacher/SDC	Spinner, Jerome	X	14	

as3/11/2009

2

Barry J. Nidorf PAU

144-173	Teacher/SDC	Rhinehart, Laura	X	10	Special Day Class - Small Physical Classroom
144-174	Teacher/SDC	Hiransomboon, Jack	X	14	Special Day Class
144-175	Teacher/SDC	Blackledge, Carolyn	X	14	Special Day Class
144-176	Teacher/SDC	Ogbechie, Abimola	X	14	Special Day Class
144-195	Teacher/SDC	Morch, Melissa	X	14	Special Day Class
165-020	Teacher/RSP	Lupinski-Reese, Mary		No Classroom	
165-049	Teacher/RSP	Simmon-Stewart, Robin		No Classroom	
165-050	Teacher/RSP	Cease, Doreen		No Classroom	
165-064	Teacher/RSP	Evans, Betty		No Classroom	
899-005	Teacher/pool	Smith, Gerald		No Classroom	
899-006	Teacher/pool	Jacobsen, Annika		No Classroom	

Number of Special/Capped Classrooms	12
-------------------------------------	----

as3/11/2009

3

Barry J. Nidorf PAU

Los Angeles County Office of Education

Juvenile Court Schools

Central Juvenile Hall PAU

1/29/2009

SITE	POSITION #	POSITION	NAME	Capped/Special Pop.	# OF STUDENTS ALLOWED	CLASSROOM DESCRIPTION
	160-005	Teacher				
	160-017	Teacher	Hira, Harbhajan			
	160-020	Teacher - SHU (boy)	Hill, James	X		Special Population
	160-026	Teacher	Eadens, Carol Ann			
	160-031	Teacher - ESU (boy)	Obiako, Harry	X		Special Population
	160-036	Teacher	Pate, L. C.			
	160-037	Teacher	Lim, Brian			
	160-038	Teacher	Fontaine, Martin			Guidance Center -
	160-041	Teacher	Loell-Hull, Bettina			
	160-051	Teacher	Fischer, Steven			
	160-052	Teacher	Dooley, Keith			
	160-053	Teacher	Tober, Christ			
	160-076	Teacher	Obakhume, Shaibu			
	160-110	Teacher - IUU	Dusa, Joan	X		Special Population
	160-136	Teacher - ESU (girl)	Hamilton, William	X		Special Population
	160-137	Teacher	Obien, Frank			
	160-159	Teacher	Ortiz, Mark			
	160-207	Teacher	Hernandez, Daniel P.			
	160-260	Teacher	Mason, Zan			
	160-268	Teacher	Gross, Donald			
	160-269	Teacher	Agbo, Victor			
	160-288	Teacher	Olivares, David			
	160-365	Teacher	Janowicz, Frank			
	160-422	Teacher	Cummings, Rodney			
	160-502	Teacher	Meyers, Merrilee			
	160-503	Teacher	Swedlund, Lance			
	160-511	Teacher/EL	Olivas, Raymond		No Classroom	
	160-526	Teacher (small boys)	Portillo, Norma	X		Special Population
	160-527	Teacher (honor girls)	McCloud, Richard	X		Special Population
SELPA STAFF	121-046	Teacher/LSS	King, Joan		No Classroom	Special Service
	144-157	Teacher/SDC - IUU	Sobanski, Dennis	X	14	IUU - Special Day Class
	144-165	Teacher/SDC	Maselli, Peter	X	14	Special Day Class
	144-172	Teacher/SDC	Hoching, Taviaga	X	14	Special Day Class

as3/11/2009

4

Central PAU

	144-186	Teacher/SDC	Gayfield, Cheryl		X	14	Special Day Class
	144-187	Teacher/SDC	Najera, Karla		X	14	Special Day Class
	165-041	Teacher/RSP	Lizardo, DeAna			No Classroom	
	165-042	Teacher/RSP	Maldonado, Jeanette			No Classroom	
	165-043	Teacher/RSP	Ivey, Rodney			No Classroom	
	165-061	Teacher/RSP	Okerengwo, Bertram			No Classroom	
	899-001	Teacher/pool	Chukwuma, Christ			No Classroom	
	899-003	Teacher/pool	Blodgett, Patricia		X	No Classroom	Special Program
Kirby Center Camp	154-045	Teacher/Mus.	Chime, Richards				
	160-075	Teacher	Arbuckle, Ruthann				
	160-247	Teacher	Thomas, Marylee				
	160-467	Teacher	Smith, LaAnita				
	160-530	Teacher	Bastian, Scott			No Classroom	
	165-107	Teacher/RST	Ragland, Donald			No Classroom	Special Service
SELPA STAFF	121-047	Teacher/LSS	Cabrera-Crump, Lorceluna			No Classroom	
	165-045	Teacher/RSP	Starnes, Brent			No Classroom	
	165-057	Teacher/RSP				No Classroom	

Number of Special/Capped Classrooms	12
-------------------------------------	----

as3/11/2009

5

Central PAU

Los Angeles County Office of Education

Juvenile Court Schools

Challenger PAU

1/29/2009

SITE	POSITION #	POSITION	NAME	Capped/ Special Pop.	# Of STUDENTS ALLOWED	CLASSROOM DESCRIPTION
Jarvis Camp	160-058	Teacher	Cali, Ronald	X	15	Small Physical Classroom
	160-217	Teacher	McCarrell, Jay		No Classroom	Assessment Center
	160-299	Teacher	Otsap-Marley, Nathan	X	15	Small Physical Classroom
	160-303	Teacher	Goldman, Madeline	X	15	Small Physical Classroom
	160-383	Teacher	Pollock, Teri	X	15	Small Physical Classroom
	160-394	Teacher	Moore, Janet	X	15	Small Physical Classroom
	160-451	Teacher	Walker, Kenneth	X	15	Small Physical Classroom
	160-203	Teacher	Eagle, John	X	15	Small Physical Classroom
	160-246	Teacher - SHU	Hale, Howard	X	15	Small Physical Classroom
	160-329	Teacher	Crouse-Claude, Patti	X	15	Small Physical Classroom
Resnik Camp	160-459	Teacher	Blair, Michael	X	15	Small Physical Classroom
	160-072	Teacher	Anya, Fidelia	X	15	Small Physical Classroom
	160-156	Teacher	Thart, Anne	X	15	Small Physical Classroom
	160-227	Teacher	Aeschbacher, Joy	X	15	Small Physical Classroom
	160-232	Teacher	Kinzell, Antony	X	15	Small Physical Classroom
	160-302	Teacher	Stevens, Evert	X	15	Small Physical Classroom
	160-381	Teacher	Pena, Henry Juan	X	15	Small Physical Classroom
	160-059	Teacher	Kang, Eunsik	X	15	Small Physical Classroom
	160-158	Teacher	Whitley, Milton	X	15	Small Physical Classroom
	160-202	Teacher	Umukoro, Patricia	X	15	Small Physical Classroom
Scobee Camp	160-328	Teacher	Oliphant, Eddie	X	15	Small Physical Classroom
	160-213	Teacher	Zierman, Scott	X	15	Small Physical Classroom
	160-284	Teacher - SHU	Whelchel, Charles	X	15	Small Physical Classroom - Special Pop.
	160-384	Teacher	Stevens, Robin	X	15	Small Physical Classroom
	160-406	Teacher	Garcia, Roger R.	X	15	Small Physical Classroom
SELPA	160-453	Teacher	Warner, Judy	X	15	Small Physical Classroom
	121-043	Teacher/LSS	Morris, Mary Ann		No Classroom	Special Service

as3/11/2009

6

Challenger PAU

144-031	Teacher/SDC	Denson, Nina	X	12	Special Day Class
144-118	Teacher/SDC		X	12	Special Day Class
144-170	Teacher/SDC	Hunt, Heidi	X	12	Special Day Class
144-188	Teacher/SDC	Haven, Cynthia	X	12	Special Day Class
144-189	Teacher/SDC	Asaad, Jennifer	X	12	Special Day Class
144-190	Teacher/SDC		X	12	Special Day Class
165-034	Teacher/RSP	Clarke, Candace		No Classroom	
165-051	Teacher/RSP	Jones, Diane		No Classroom	
165-052	Teacher/RSP	Brownlow, Paula		No Classroom	
165-053	Teacher/RSP	Reita, Joseph		No Classroom	
165-054	Teacher/RSP	Jones, Renee		No Classroom	

Number of Special/Capped Classrooms	31
-------------------------------------	----

Los Angeles County Office of Education
 Juvenile Court Schools
 Los Padrinos PAU
 1/29/2009

SITE	POSITION #	POSITION	NAME	Capped/ Special Pop.	# Of STUDENTS ALLOWED	CLASSROOM DESCRIPTION
	160-061	Teacher	Johnson, Jerome			
	160-064	Teacher	Henry, Donavon			
	160-069	Teacher	Theragood, Jimmie			
	160-070	Teacher	Bermudez, William			
	160-080	Teacher	Mounger, Earl			
	160-082	Teacher	Wilson, V. Sandra			
	160-085	Teacher	Somerville, Gloria			
	160-086	Teacher	George, Saji			
	160-088	Teacher	Hall, Jon			Guidance Center -
	160-089	Teacher	Mozia, Helen			
	160-093	Teacher	Tallini, Robert			
	160-097	Teacher	Isreal, Celia			
	160-149	Teacher	Ortega, Daniel			
	160-154	Teacher	Jimenez, Cynthia M.		No Classroom	
	160-189	Teacher	Leung, Silvana			
	160-206	Teacher	Rogers, Rosie			
	160-225	Teacher	Bennett, Natalia			
	160-230	Teacher	Okwuokei, Jude			
	160-238	Teacher	Edwards, Ronald			
	160-239	Teacher	Cruces, Sylvia			
	160-259	Teacher - SHU (girl)	Gallegos-Garcia, Zolla	X		Special Population
	160-271	Teacher	Miller, Anthony			
	160-500	Teacher	Durley, Kim			
	160-501	Teacher	Winitky, Marvin			
	160-506	Teacher	Macias, Laura			
	160-507	Teacher SHU (boy)	Martinez, Patricia	X		Special Population
	160-508	Teacher	Owsian, Denise			
	160-510	Teacher/EL	Ruiz-Galinda, Karla		No Classroom	

as3/11/2009

8

Los Padrinos PAU

SELPA	121-052	Teacher/LSS	Pina, Nancy		No Classroom	Special Service
	144-083	Teacher/SDC	Okonkwo, Godfrey	X	12	
	144-164	Teacher/SDC	Halcomb, Susan	X	12	
	144-181	Teacher/SDC	Walton, Tyesa	X	12	
	144-182	Teacher/SDC	Sanipe, Tina	X	12	
	144-192	Teacher/SDC	Hanson, Defarge	X	12	
	165-033	Teacher/RSP	Allen, Christine		No Classroom	
	165-046	Teacher/RSP	Rodriguez, Naomi		No Classroom	
	165-062	Teacher/RSP	Williams, Slater		No Classroom	
	165-065	Teacher/RSP	Gray, Deborah		No Classroom	
	899-002	Teacher/pool	Grosshandler, Hedy		No Classroom	
	899-004	Teacher/pool	Okoro, Hilary		No Classroom	

Number of Special/Capped Classrooms	7
-------------------------------------	---

Los Padrinos PAU

9

as3/11/2009

Los Angeles County Office of Education

Juvenile Court Schools

Santa Clarita Mtns. PAU

1/29/2009

SITE	POSITION #	POSITION	NAME	Capped/ Special Pop.	# Of STUDENTS ALLOWED	CLASSROOM DESCRIPTION
Scott Camp	160-272	Teacher	McGrath, Vincent			
	160-273	Teacher	Eichler, Ronald			
	160-275	Teacher	Sills, Gary			
Scudder Camp	160-320	Teacher	Berns, Karen			
	160-218	Teacher	Gibson-Berson, Susan			
	160-460	Teacher	Murray, Irene			
	160-521	Teacher	Gitlin, Roger			
	160-522	Teacher	Kerschner, Patricia			
SELPA	160-103	Teacher	Hayward, Susan			
	121-028	Teacher/LSS			No Classroom	Special Service
	165-028	Teacher/RSP	Lorenze, Steve		No Classroom	
	160-164	Teacher	Deaville, Jason			
Mendenhall Camp	160-188	Teacher	Hammitt, J.M.			
	160-190	Teacher	Williams, Euredell			
	160-197	Teacher	Colet, Stephen			
	160-214	Teacher	Inglis, Candice			
	160-610	Teacher	Doyle, Troy			
Munz	165-121	Teacher/RST	Johnson, Carla		No Classroom	
	160-173	Teacher	Baxley, William			
	160-177	Teacher	Renfro, Larry			
	160-182	Teacher	Hardenbrook, Jimmy			
	160-184	Teacher	Hendry, William			
	160-248	Teacher	Montana, Margaret			
	160-528	Teacher	Jiru, Girum			
SELPA	165-122	Teacher/RST	Christian, Brian	X	Varies	Classroom is Limited to Pull-outs
	165-055	Teacher/RSP	Collins, Carol		No Classroom	

as3/11/2009

10

Santa Clarita Mtns. PAU

Santa Clarita Mtns. PAU

Number of Special/Capped Classrooms	1
-------------------------------------	---

11

as3/11/2009

Los Angeles County Office of Education

Juvenile Court Schools

Santa Monica Mtns. PAU

1/29/2009

SITE	POSITION #	POSITION	NAME	Capped/ Special Pop.	# Of STUDENTS ALLOWED	CLASSROOM DESCRIPTION
David Gonzales	100-006	Teacher-Voc	Higgins, Alexandra	X		Vocational Program
	160-208	Teacher	Deshautelle, Burman			
	160-240	Teacher	Brown, Leslie			
	160-241	Teacher	Casden, Leslie			
	160-254	Teacher	Kastendiek, Ty			
	160-531	Teacher	Scheff, Stephen			
Kilpatrick	165-108	Teacher/RST	Cohen, Phillip	X	Varies	Classroom is Limited to Pull-outs
	160-003	Teacher	Davis, Rodney			
	160-047	Teacher	Espinosa, Roger			
	160-067	Teacher	Stewart, Marlene			
	160-270	Teacher	Richards, Odell			
	160-306	Teacher	Berke, Adrienne			
Miller	165-113	Teacher/RST	Van Duinwyk, Berne	X	Varies	Classroom is Limited to Pull-outs
	160-057	Teacher	Gutierrez, Armando			
	160-066	Teacher	Eichorn, Douglas			
	160-116	Teacher	Shafer, James			
	160-212	Teacher	Bartolet, David			
	160-231	Teacher	Mason, Robert			
Pacific Lodge	160-529	Teacher	Freedman, Morris			
	165-114	Teacher/RST	Breuninger, David	X	Varies	Classroom is Limited to Pull-outs
	160-062	Teacher	Huertas, Kaya			
	160-175	Teacher	Montgomery, Wynnell			
	160-276	Teacher	Gilleam, Jason			
	121-045	Teacher/LSS			No Classroom	Special Service
SELPA	165-007	Teacher/RSP	Harris, Charles		No Classroom	
	165-022	Teacher/RSP	Denmon, Frances		No Classroom	
	165-056	Teacher/RSP	Lee, Priscilla		No Classroom	

as3/11/2009

12

Santa Monica Mtns. PAU

Number of Special/Capped Classrooms	4
-------------------------------------	---

Santa Monica Mtns. PAU

13

as3/11/2009

Los Angeles County Office of Education
 Juvenile Court Schools
 TuJunga Valley PAU
 1/29/2009

SITE	POSITION #	POSITION	NAME	Capped/ Special Pop.	# Of STUDENTS ALLOWED	CLASSROOM DESCRIPTION
Karl Holton	160-117	Teacher	Phelps, Charlie			
	160-196	Teacher	Jordan, Donald			
	160-198	Teacher - SHU	Abrams, Darrell	X		Special Population
	160-244	Teacher	Harper, Marjory			
	160-321	Teacher	Butler, Earl			
	160-322	Teacher	Stutley, Richard			
Louis Routh	160-412	Teacher	Lawson, David			
	165-115	Teacher/RST	Stokes, Addie	X	Varies	Classroom is Limited to Pull-outs
	160-199	Teacher	Lai, Kristen			
	160-426	Teacher	Corrales, Luis D.			
	160-442	Teacher	Carson, John			
	160-046	Teacher	Macauley, Katherine			
Phoenix Academy	160-170	Teacher	Brendlinger, Jackie			
	160-185	Teacher	Dean, Debra			
	160-325	Teacher	Torres, Arcelia			
	160-373	Teacher	Patton, Will			
	160-413	Teacher	Pinelo, Celinna			
	160-443	Teacher	Adams, Louis			
SELPA	144-185	Teacher/SDC	Aakund, Scott	X	14	Special Day Class
	165-015	Teacher/RSP	Davis, Mary Kathryn		No Classroom	
	165-045	Teacher/RSP	Gabrera-Crump, Lorceluna		No Classroom	

Number of Special/Capped Classrooms	3
-------------------------------------	---

as3/11/2009

14

TuJunga Valley PAU

Appendix E—LACOE's JCS Program Class Size Analysis

Los Angeles County Office of Education
JCCS/Controller's Office
Breakeven Analysis by Class Size

Enrollment	# of classes	Average Enrollment per class	Rev per class	Exp per class	Variance
Existing condition as of Month 8:					
3175	198.00	14.79	188,953	215,355	-26,402
Proposed condition as of Month 8:					
3175	186.76	17.00	200,320	215,355	-15,035
3175	176.39	18.00	212,104	215,355	-3,252
3175	167.11	19.00	223,887	215,355	8,532
3175	158.75	20.00	235,671	215,355	20,315

Note: We expect to breakeven at the class size of 19 students per teacher.
Governor may propose changes in state standard class size to 20 per teacher to meet Budget Gap.

Los Angeles County Office of Education
 Analysis of Juvenile Court Schools
 Class Size Adjustment

Enrollment	Number of Classes	Average Enrollment per class	Revenue Per Class	Expense Per Class	Variance	Loss/Savings x No. Classes
Existing condition as of Month 8: December 27, 2007 to January 18, 2008						
3175	198.00	14.79	171,248	215,355	-44,107	-8,733,170
Proposed condition as of Month 8:						
3175	186.76	17.00	181,550	215,355	-33,805	-6,313,593
3175	176.39	18.00	192,230	215,355	-23,126	-4,079,105
3175	167.11	19.00	202,909	215,355	-12,446	-2,079,827
3175	158.75	20.00	213,589	215,355	-1,767	-280,476
3175	151.19	21.00	224,268	215,355	8,913	1,347,569
3175	144.32	22.00	234,947	215,355	19,592	2,827,552
3175	138.04	23.00	245,627	215,355	30,272	4,178,841

Assumptions:

Due to variables in facilities, population, and characteristics, an estimated 30% of all classes cannot accommodate any class size modification.

Assuming that only 70% of the classes can be expanded, the potential savings at 23 2,925,188

The above tables are based on 100% attendance to generate ADA. In order to more accurately reflect revenue, attendance is adjusted to 90%. Savings at 23.0 2,632,670

JCCS Revenue is adjusted by the impact of Special Education encroachment.

Controller's Office
 1/27/2009

Appendix F—PAU Staffing Formula

Principal Administrative Units (PAU)

Teachers 1:17 ADE (Students present per teacher, per day)

Note: Challenger 1:15 per California State Board of Correction (CSBC) Space (square footage) Regulation
Barry J. Nidorf 2 classes @ 1:13 per CSBC Regulation

STAFFING STANDARDS

Administrator

1 Principal per PAU

1 Assistant Principal per every 12 classes

Educational Counselor - 1 per PAU

Psychologist - LACOE SELPA Administered

Budgeted Substitutes

Certificate 36 days per teacher per year (Long term absences require written adjustment request)

Classified 24 days per clerical per year (Long term absences require written adjustment request)

Paraeducator - Instructional & Behavioral Management

At Residential Community Educational Centers (RCEC's)

1 6hr Paraeducator at each RCEC

1 Additional Paraeducator

1 Paraeducator at each Hall

1 Paraeducator at each Assessment Center

School Clerical Support

1 School Administrative Secretary per Principal

1 Senior School Clerk @ Halls and Challenger

1 Senior School Clerk per PAU

1 Senior School Clerk for every 450 pupils

.50 Senior School Clerk per RCEC/Camp (multiple sites)

Custodian 1 Custodian per 12 classrooms at halls, and camps; vendor contract at RCECs

Appendix G—LACOE's JCS Program Policy for Hiring Non-Budgeted Teachers



Los Angeles County
Office of Education

August 21, 2008

TO: JCS Principals
FROM: Bruce E. Petersen, Regional Director *BEP*
SUBJECT: New Policy for Hiring Non-Budgeted Teachers

Effective immediately there is a change in JCS policy for adding new teachers to your budget. This change is only for your regular education teachers and not your special education teachers or those directly involved in the DOJ at the halls.

Step One – Request a day-to-day substitute. If your numbers go up and your classrooms exceed the contracted 17 students per class, please email our Financial Operations Consultant, Evelyn Camper, and ask for a temporary job number to secure a substitute teacher (as needed for three months).

Step Two – Request a limited term position. If your numbers consistently stay above your contracted/budgeted amount for three months, you will submit a Personnel Requisition to request a limited term position from Ashley Smith, our position control person. Evelyn Camper will verify the ADA numbers as required to secure the limited term position, and send request to the Assistant Superintendent and Superintendent for approval.

Step Three – Request a permanent position. If the numbers support the limited term position for three months, then you are to submit a memo to Dr. William Elkins, JCS Interim Director, to request a permanent teaching position. After verification, a request will be sent to the Assistant Superintendent and Superintendent for approval.

This means you will need to show a total of six months of over population before a new teaching can be added to your budget.

We understand the additional challenges this policy will bring. However, the Assistant Superintendent is forced to address the growing impact of the JCS deficit.

Thank you.

BEP:src

cc: Mr. Gerry Riley
Dr. Bill Elkins
School Administrative Secretaries
Evelyn Camper
Ashley Smith

Appendix H—Proposed Residential Service Funding Model

Juvenile Court Schools Funding Model

October 2008

Juvenile court schools play a pivotal role in the education of the most at-risk youth in the State. For many of these students, the juvenile court schools will be their final opportunity to veer away from further criminal behavior and to return to a more promising future through education and good citizenship. However, in spite of the critical need for these schools, the State's current funding system places many local programs in jeopardy. Unfortunately, the current funding system fails to acknowledge the extraordinary operational constraints of juvenile court schools, the needs of this unique population and the inadequacy of the revenue limit-based funding model. This paper discusses these deficiencies and proposes a more promising funding model that would address these shortcomings.

Background

Juvenile court schools provide educational services to students placed by the courts in juvenile halls, juvenile homes, day centers, camps, regional community education centers or group homes. These students are under the authority of the juvenile court and have been detained and are awaiting judicial dispensation or have been adjudicated and have been incarcerated by the court.

Under the authority of Education Code Section 48645, county offices of education (COEs) operate juvenile court schools in a variety of settings, depending upon the needs of the students and the constraints of their custody. Like regular schools, these schools strive to increase student graduation rates, reduce dropout rates, and provide valuable academic and life skills. However, because of the extraordinary needs of these students, juvenile court schools place special emphasis on remedial instruction, counseling services, foster youth support, and pro-social curriculum to divert students from the criminal justice system. Attachment 1 (General Differentiation of Court School vs. Regular Comprehensive High School) serves to highlight some of the major differences in the kinds of students, treatments, and characteristics of county-operated court schools that are not well understood when policy makers consider education in general.

According to the California Department of Education, 48 of 58 counties operated juvenile court schools in 2006-07 reported a CBEDS enrollment of 12,278 and earned 15,925 ADA. (Court schools operate year around and generate more than one ADA for every student in attendance for 175 days which explains the difference between the CBEDS count and the ADA claimed). According to a data survey of the county offices by the Student Programs and Steering Committee of CCSESA, that 15,925 ADA was earned by an approximated student enrollment of more than 71,082. Due to the high turnover rate of this student population, however, these 71,082 students generated only 15,925 ADA, a ratio of just 0.22 ADA for each enrolled student. This compares to a ratio of roughly 0.94 ADA for each high school student enrolled in a regular education program.

Like districts, county offices of education receive state funding to support juvenile court schools based on their revenue limit and the number of ADA served during the year.

Deficiencies of the Current Funding System

While the structure of the educational service delivery model is generally sound, given the extraordinary needs of these students, the extremely high turnover rate, the percentage of special education students enrolled, the more challenging population and the complicating custody requirements that accompany the delivery of services, the same cannot be concluded for the funding system. The current funding system fails to take into consideration the practical realities of providing services to these students, ranging from the unpredictability of their enrollment and attendance to their vastly different educational needs.

- *High Costs of Instruction*— The student population served by juvenile court schools is considerably different from the regular school population. By design, juvenile court schools are often the last chance for high-risk students who are in jeopardy of dropping out of school permanently but if given the proper support, can change their lives' path and complete their education. Students attending juvenile court schools are significantly more likely to require special education services. For example, in juvenile court schools administered by the Los Angeles County Office of Education (LACOE), more than two in ten students were identified as having learning disabilities in 2006 compared to 10% for all K-12 students in the State. Similarly, juvenile court school students are generally performing below grade level. According to 2007 California Standardized Testing and Reporting (STAR) data, 65% of juvenile offenders tested at "far below Basic" on the STAR test. This condition often requires lower class sizes to provide effective remedial instruction. In LACOE, the juvenile court school classes are expected to serve roughly 17 students per classroom in order to generate sufficient funding to be self-supporting; however, the educational needs of special education students, English language learners who are significantly below academic standard and Probation's grouping of students based on safety and security often demand considerably smaller classes, resulting in less-than-sufficient financial support from revenue limit to successfully educate this population.
- *No Control Over Attendance or Enrollment*—Under the current funding model for juvenile court schools, COEs receive funding based on the average daily attendance of their students. While this method might make sense for programs serving students in a comprehensive school setting, it does not recognize the mobility and custody requirements that thwart predictable and continuous student enrollment and attendance in juvenile court schools. Based on an analysis of an unduplicated count of 15,877 students in 2005-06, it was found that only 3,577, or just over 22%, were found to be "long-term" attendees of 90 days or more. The vast majority of the juvenile court school students cycled in and out of programs within months or even weeks with the average stay in juvenile halls being less than 20 calendar days. This unpredictability of student enrollment and attendance imposes staffing challenges and financial strains on county offices of education, which are required to maintain program staffing levels for students

by the number of beds in a facility. Additionally, county offices are not able to budget and staff court schools year to year with any reliability. The enrollment is based upon the level of criminal activity by youth, the actions of local law enforcement officers, Probation staffing and the decisions of juvenile court judges. These factors can cause wide swings in enrollment with subsequent need to either hire temporary staff or to wait until March 15th to begin the reduction in force process when sites are over staffed. Additionally, the student turnover rate of 600% requires counties to employ additional staff (as compared with a district) to obtain, process, store, update and forward the volumes of students' records. The high turnover rate also requires counties to employ more staff to conduct assessments of students' academic levels within five days, schedule the student into the appropriate classes, create a learning plan and transition the students' programs when they leave the court school setting.

- *Educational Services Must Accommodate Security Requirements*—County Probation departments are charged with providing for the safety and security of these youth and the adults at the sites. The evaluation of each student's custody requirements takes into consideration age, sex, gang affiliation, drug use, history of violent crimes, prior sex offenses, and other factors. After this assessment is made, students are then assigned to a classroom, but not necessarily by grade level, Individualized Education Plan, English learner needs and educational need. As a result, the educational program may end up with classrooms significantly over or under enrolled, depending upon the mix of students at any given point in time. This additional challenge makes it particularly difficult for juvenile court schools to staff classrooms at an optimal level for funding purposes, a circumstance not shared by comprehensive education programs.
- *Facility Requirements Increase Costs*—Detention facilities and related physical housing decisions are not within the purview of county offices of education but are under the authority of county probation departments. While design decisions are supposed to include input from the county office of education, in many counties this does not occur, or occurred long ago prior to subsequent modification or redesign of the facility. For example, court school classrooms in many counties are designed to accommodate up to 20 students as allowed by the square footage of the room; however, in a number of counties, classrooms are designed that are limited to a maximum of 15 students. COE's then must provide educational services in differing models/configurations that primarily address the safety and security parameters and square footage set by the associated Probation Department. These models are dependent upon the type of youthful offenders the COE must serve, the geographic area to be covered, the conditions and locations of existing facilities, and the educational philosophy of the county. Some COEs respond to counties that maintain a limited number of facilities by consolidating the delivery of educational services, although incurring potentially significant transportation costs. Other COEs provide services in counties that maintain many juvenile facilities and camps throughout the county. While this model may ease transportation costs, it prohibits the COE from capturing economies of scale and presents administrative and educational programming challenges. The current ADA-based funding model does not take into consideration any facility-related costs.

- State Shifts Youthful Offenders to Counties*—During the mid-1990s, the state embarked on an initiative to reduce the number of commitments to the California Youth Authority (CYA) and channel youthful offenders back to their county of commitment. By imposing a sliding fee schedule to bill back counties for the cost of incarcerating youth in the CYA, the State encouraged counties to retain youthful offenders who might otherwise have been transferred to CYA. Between 1995-96 and 2007-08, CYA enrollment has fallen 77% to 2,277 wards in response to this policy. This reduction in state CYA commitments has resulted in a corresponding increase in county commitments and a significant increase in workload for county offices of education to provide these youthful offenders with appropriate educational services. Due to this shift county probation and COE's are now serving a more serious security-level population with more serious educational and psycho-social. These are the youthful offenders who would have been served by the Division of Juvenile Justice (DJJ-formerly CYA) but now have imposed additional costs because of the seriousness of the offenses for which they were committed, and their need of more segregated and intensive educational services.
- Youthful Offenders to Increase in the Future*—The passage of SB 81 (Chapter 175/ 2007) in August 2007 continues the transfer of youthful offenders from DJJ to local jurisdictions. This measure redirects youthful offenders who are adjudicated for nonviolent offenses (offenses other than under Welfare and Institutions Code 707b) from the State, DJJ, to local county care and custody. According to an analysis of SB 81, this change is expected to reduce the population of state juvenile institutions by 199 offenders in 2008-09 and by an estimated 700 offenders in the following year. In turn, these youthful offenders will need educational services provided by the juvenile court schools operated by the county offices of education. While SB 81, in conjunction with the 2007 Budget Act, appropriated funding for the Youthful Offender Block Grant program to assist counties in providing for the care and custody of these youth, the block grant did not contemplate the higher cost of services for these youth in the juvenile court schools. Instead, funding is presumably to be provided from the existing revenue limit system, which has significant limitation in meeting the needs of the non-707b students. The implications for court schools included higher levels of security students restricting programmatic flexibility and student groupings, and more segregation requests to maintain safety and security.
- Special Education Funding*— In 1997, Assembly Bill 602 made significant changes to the funding and operational structure of special education in California. The change in structure and funding in 1997 allowed Juvenile Court Schools to make progress towards meeting the needs of the special education population that was served in these settings. Unfortunately, the AB602 funding model is built on the assumptions that all SELPA's have approximately the same percentage of students who have special needs, the same percentage of students with a similar primary disabilities and that this is a reasonably stable student population. While current data is not available, there is widespread agreement that the percentage of special education students in Juvenile Court Schools is more than double the statewide average of approximately ten percent. This rate of special education students in Juvenile Court Schools has been amplified in the past decade by the shift of approximately 80% of the juveniles who were housed in California Youth

Authority being shifted to the county detention facilities and ultimately the juvenile court schools. These students tend to have more intensive Special Education service needs, especially for services in the Emotional Disturbed and Specific Learning Disorder categories which are the primary disabilities of more than 80% of court school students. Additionally, the number of students served (71,082) in Juvenile Court Schools is almost 6 times the amount of average daily attendance (12,278) upon which the special education funding is based. In other words on any day juvenile court schools may be serving upwards of 3500 special education students. During the course of a school year they may be serving upwards of 21,000 special education students while the funding model assumes 10% of the CBEDS count or 1300 students. Subsequently, Juvenile Court Schools continue to try to stretch their funding base to serve two times the number of students it was designed to support and address more than five times the number of students due to the transient nature of the population.

In summary, as a result of the failure of the current funding system to account for these cost inflating factors, county offices of education are facing growing financial strains in maintaining their juvenile court schools. In all counties the redirection of unrestricted general fund resources to make up for the shortfall in state aid is a growing problem. For example, in 2006-07, LACOE incurred a year-end deficit in its juvenile court school program in excess of \$12 million and, in 2007-08, the proposed deficit was approximately \$9.9 million (about 1.0% of the total budget) with an excess cost of special education services of \$7.87 million. This deficit has forced a redirection of resources from unrestricted funding sources, thus weakening other LACOE educational programs and services. Smaller counties face a similar impact that may be exasperated by even smaller groupings of students due to smaller student populations, fewer local resources, particularly personnel to serve students' needs and a disproportionately smaller county school service fund.

Needed Reforms

In order to address the deficiencies of the current juvenile court school funding system, the State should establish a court school funding model that stabilizes COE funding by moving away from an ADA only funding model. Because of the unpredictability of enrollment and attendance in juvenile court school classrooms and the requirement to staff classrooms regardless of student enrollment and attendance levels on any given day, a new model should provide funding levels that are less sensitive to day-to-day attendance fluctuations. A bed-unit enhancement to the ADA model system would greatly stabilize local funding levels.

Funding Proposal—Bed Unit Enhancement ADA Funding Model

A more rational basis to fund the juvenile court school program would be to recognize that local costs are incurred more in line with a bed unit enhancement ADA model. This model, which borrows from concepts raised in the 2007's *Getting Down to Facts* study, recognizes the full complement of teaching staff, support staff, materials and supplies, and administrative overhead that is needed to offer instruction to a complement of students residing at a juvenile hall or other court school setting.

This model would allow county offices of education to claim state funding based on factoring in the bed capacity of the facility. Allowances could be made for the custody requirements and risk levels of the students served in the housing units. In addition, the model can be scaled to reflect assumptions about the number of beds in each unit and the number of ADA expected to be generated by each unit, given its size.

Funding factors in the bed-unit model also can be adjusted to recognize changes in salary and benefit costs, the cost of support services, and the cost of materials and supplies. In addition, adjustments can also be made for indirect costs and administrative services.

Based on data for the Los Angeles County Office of Education and for illustrative purposes only, the table below shows that the bed unit model would provide \$205,207 for each 17-bed unit, recognizing the cost for a teacher's salary and benefits for a 12-month period; the cost of support, aide time, and a substitute teacher (for vacation time); instructional materials and supplies; counseling support; Special Education excess cost; and with an indirect cost rate of 5%. The model also acknowledges the 2006-07 revenue limit for LACOE, which was \$9,100.27 per ADA. The bed unit model generates an additional \$3,005.61 above the revenue limit, measured on the basis of ADA.

The model displays the number of bed units to be funded, based on the 2006-07 LACOE data, and the current level of underfunding, assuming a bed unit loading of 248.26.

Finally, the table shows the total revenues to be generated under the new model and the net increase provided.

Also provided are tables for a 15 and a 20 bed-unit model. Variations are presented as options to be considered as conditions can be and are different in part due to the sizes of county office programs, physical conditions and facilities limitations unique to each county, and relationship/problem-solving processes with individual county probation departments.

**17- Bed Unit Enhancement (BUE) ADA Funding Model Based on
Average Class Size for LACOE JCCS**

Teacher Salary and Benefits (12 month program, 240 days)	\$ 100,000.00
Support, aide time, substitute for teacher and other	\$ 30,000.00
Instructional materials/supplies	\$ 1,000.00
COE Support (0.1 FTE Counselor)	\$ 10,000.00
Special Education Costs	\$ 55,000.00
Subtotal	\$ 196,000.00
Indirect Rate of 5%	\$ 9,800.00
Estimated Total Cost for 17 Enrolled Students	\$ 205,800.00
Per Student Cost in 17-BUE ADA Funding Model	\$ 12,105.88

SELPA Revenue per classroom	\$ 22,702
ADA Earned (17 enrolled times average attendance rate 86% times 1.37 ADA for 240 days)	\$ 182,272.95
2006-07 Base Revenue Limit per ADA	\$ 9,100.27
Estimated ADA Earned per Teacher per year	20.0294
Funding Received Aggregated using the 17-BUE ADA Funding Model	\$ 204,974.56

Underfunded Amount Based on 17-BUE ADA Funding Model	\$ 825.44
---	------------------

2006-07 Actual ADA	4220.38
Estimated Units to be Funded (4220.38 ADA / 17 beds per unit)	248.26

Proposed Units Funded Multiplied by Total Student Cost in 17-BUE ADA Funding Model	\$ 51,091,423.76
(\$205,800 times 248.26)	

Revenue Limit Funding Received for 2006-07	\$ 38,406,597.50
Difference between Proposed Units Funded and Revenue Limit Funding Received for 2006-07	\$ 12,684,826.26
Additional Funding per ADA	\$ 3,005.61

Assumptions:

1. Average Teacher Salary and Benefits at \$100,000 extended year program.
2. Support, aide time, substitutes for teacher and other at 30% of average teacher salary.
3. BUE ADA Funding Model of 17 students, assuming 86% attendance rate for 240 days

Final Draft

**15- Bed Unit Enhancement (BUE) ADA Funding Model Based on
Average Class Size for LACOE JCCS**

Teacher Salary and Benefits (12 month program, 240 days)	\$	100,000.00
Support, aide time, substitute for teacher and other	\$	30,000.00
Instructional materials/supplies	\$	1,000.00
COE Support (0.1 FTE Counselor)	\$	10,000.00
Special Education Costs	\$	55,000.00
Subtotal	\$	196,000.00
Indirect Rate of 5%	\$	9,800.00
Estimated Total Cost for 15 Enrolled Students	\$	205,800.00
Per Student Cost in 15-BUE ADA Funding Model	\$	13,720.00

SELPA Revenue Per Classroom	\$	20,035.59
ADA Earned (15 enrolled times average attendance rate 86% times 1.37 ADA for 240 days)	\$	160,829.07
2006-07 Base Revenue Limit per ADA	\$	9,100.27
Estimated ADA Earned per Teacher per year		17.673
Funding Received Aggregated using the 15-BUE ADA Funding Model	\$	180,864.66

Underfunded Amount Based on 15-BUE ADA Funding Model	\$	24,935.34
---	-----------	------------------

2006-07 Actual ADA	4220.38
Estimated Units to be Funded (4220.38 ADA / 15 beds per unit)	281.36

Proposed Units Funded Multiplied by Total Student Cost in 15-BUE ADA Funding Model	\$	57,903,888.00
---	-----------	----------------------

(\$205,800 times 281.36)

Revenue Limit Funding Received for 2006-07	\$	38,406,597.50
Difference between Proposed Units Funded and Revenue Limit Funding Received for 2006-07	\$	19,497,290.50
Additional Funding per ADA	\$	4,619.80

Assumptions:

1. Average Teacher Salary and Benefits at \$100,000 extended year program.
2. Support, aide time, substitutes for teacher and other at 30% of average teacher salary.
3. BUE ADA Funding Model of 15 students, assuming 86% attendance rate for 240 days.

Final Draft

**20- Bed Unit Enhancement (BUE) ADA Funding Model Based on
Average Class Size for LACOE JCCS**

Teacher Salary and Benefits (12 month program, 240 days)	\$	100,000.00
Support, aide time, substitute for teacher and other	\$	30,000.00
Instructional materials/supplies	\$	1,000.00
COE Support (0.1 FTE Counselor)	\$	10,000.00
Special Education Costs	\$	55,000.00
Subtotal	\$	196,000.00
Indirect Rate of 5%	\$	9,800.00
Estimated Total Cost for 20 Enrolled Students	\$	205,800.00
Per Student Cost in 20-BUE ADA Funding Model	\$	10,290.00

SELPA Revenue per classroom	\$	26,682
ADA Earned (20 enrolled times average attendance rate 86% times 1.37 ADA for 240 days)	\$	214,438.76
2006-07 Base Revenue Limit per ADA	\$	9,100.27
Estimated ADA Earned per Teacher per year		23.564
Funding Received Aggregated using the 20-BUE ADA Funding Model	\$	241,121.23

Underfunded Amount Based on 20-BUE ADA Funding Model	\$	(35,321.23)
---	-----------	--------------------

2006-07 Actual ADA		4220.38
Estimated Units to be Funded (4220.38 ADA / 20 beds per unit)		211.02

Proposed Units Funded Multiplied by Total Student Cost in 20-BUE ADA Funding Model	\$	43,427,710.20
---	-----------	----------------------

(\$205,800 times 211.02)

Revenue Limit Funding Received for 2006-07	\$	38,406,597.50
Difference between Proposed Units Funded and Revenue Limit Funding Received for 2006-07	\$	5,021,112.70
Additional Funding per ADA	\$	1,189.73

Assumptions:

1. Average Teacher Salary and Benefits at \$100,000 extended year program.
2. Support, aide time, substitutes for teacher and other at 30% of average teacher salary.
3. BUE ADA Funding Model of 20 students, assuming 86% attendance rate for 240 days

Final Draft

Implementation Timeline

- *2009-10 Budget Act Implementation*—This proposal could be implemented on a phase-in basis beginning in 2009-10, provided an augmentation is included in the 2009 Budget Act for this purpose.
- *Implementation through a Bill*—If this proposal is not included as part of the 2008 Budget Act, it could be implemented through stand-alone legislation; however, it would be necessary that funds be set aside in the Budget Act to account for its impact on the state's reserve. This could be accomplished with an agreement with the Administration and a signing statement included with the Budget. Given the difficulties in securing passage of non-Budget related legislation that imposes a state cost, this approach would likely be considerably more difficult.

Follow-up Evaluation

Accompanying any measure to enact this proposal should be a requirement for a follow-up evaluation to determine whether the new funding model has sufficiently addressed the shortcomings of the current system and whether the funding level is adequate. The evaluation should be carried out by parties other than those selected to implement the proposal and the report should be delivered to the Legislature and the Administration. At least one year should elapse under the new funding model before an evaluation is conducted.

Final Draft

Appendix I—Executive Summary Table

Auditor Controller Juvenile Court Schools Program Evaluation Executive Summary Table	
Scope of Work	Analysis and Conclusion
II Scope	
A. Evaluate LACOE's utilization of its existing funds to provide effective JCS program services. This includes:	<p>LACOE is using existing funds to provide effective JCS program services. LACOE is meeting the terms of the U.S. DOJ Settlement agreement which outlines education, and staffing requirements, as well as meeting the state of California's curriculum and reporting requirements. LACOE is operating the JCS program with existing funds as efficiently as possible in light of the current restrictions LACOE must operate within. LACOE must meet the requirements of the U.S. DOJ settlement agreement which requires additional staff (thereby additional funds); facilities constraints, which currently do not allow LACOE to increase class size; and restrictive class size collective bargaining agreement language, which requires LACOE to staff classes at a smaller ratio than other comparative counties. LACOE can work to try to relieve some of these restrictions by attempting to negotiate more flexible terms in the U.S. DOJ settlement agreement and negotiating more permissive class size language in the collective bargaining agreement. Probation can work to help relieve the restrictions on facilities by building new facilities, or remodeling existing facilities. But, based upon the restrictions within which LACOE must operate to date, LACOE is using existing funds to provide efficient JCS program services.</p> <p>In an effort to staff only to the necessary number of teachers and to be proactive in considering budget constraints, the Regional Director of Juvenile Court Schools established a policy, dated August 21, 2008, for hiring non-budgeted regular teachers, which requires schools to show a six-month period of over population before a teacher can be added to the</p>

	<p>budget. This policy should help to eliminate permanent teachers being hired to accommodate temporary increases in student populations rather than an actual growth in enrollment. This policy is referenced in Appendix G.</p>
<p>1. Validate the completeness of LACOE's reported JCS expenditures and revenue.</p>	<p>In order to obtain LACOE's JCS revenues and expenditures, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing. LACOE provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools.</p> <p>Education Code Section 41010 requires LEAs to follow the procedures in the <i>California School Accounting Manual</i> (CSAM) to record its revenues and expenditures. We found LACOE adheres to this requirement. LACOE also uses the Standardized Account Code Structure (SACS) to classify its financial activities. SACS is a uniform and comprehensive chart of accounts used by all local educational agencies (LEAs) in California. Although SACS is used by all LEAs, there is local control over the use of some components of SACS.</p> <p>LACOE accounts for revenues and expenditures utilizing the guidance in the CSAM. LACOE has a comprehensive Chart of Accounts and utilizes the Goal and Location to account for JCS expenditures. The Goal Code tracks "who" is being served. LACOE has four Goals identified for JCS. They are:</p> <ul style="list-style-type: none"> • 36000 Juvenile Courts, Administration • 36005 Juvenile Courts, Camps • 36007 Juvenile Courts, Residential Community Educational Centers • 36008 Juvenile Courts, Halls

In addition to using SACS Goals to track “who” is being served, LACOE has Location Codes to track expenses by school or site. JCS sites all begin with “39” e.g., 3972, which identifies the site as Los Padrinos Principal Administrative Unit (PAU). This is a different identifying cost location than is used for Community Day Schools. Community Day Schools cost locations or site begins with a “37” e.g., 3709, which identifies the site as Community Day School.

Revenues are tracked by Resource Code which is the program or project for which the funds are allocated. When revenues are received by a COE, it is deposited by Fund and Resource. The revenue is not identified by Goal or Location. This is standard throughout LEAs.

LACOE and other counties do not align revenues to location because it is not a requirement and does not generally serve a purpose to track funds in this way.

Expenditures and revenues related to revenue limit funding for JCS are identified by the following Resources and Goals shown in Table 1 (Please see report). (LACOE utilizes a fifth digit to further define some Resources and Goals.)

LACOE also uses the school site SACS field to separate revenues and expenditures into budget management areas, called cost centers or locations. JCS program budget units are identified by the 39xx series of cost centers. Some budget items are managed by principals and are budgeted at the Principal’s Administrative Unit (PAU) level, e.g., Central Juvenile Hall is identified by cost center 3933. Other items, including revenue, division administration, and categorical expenditures, are budgeted in a central cost location, 3901. Categorical funding for expenditures (for example, instructional materials, AB 825, Foster Youth) applicable to the JCS program can be identified by cost location 39xx.

The JCS program and Community Day Schools programs belong to separate divisions; Community Day Schools programs are part of the Division of Alternative Education (DAE),

a separate and unique division from the Division of Juvenile Court Schools which oversees all JCS programs. Expenditures and revenues are recorded in separate and distinct SACS accounts, except for Special Education services (see below). Revenues and expenditures for Community Day Schools programs are identified by Resource 24300, Goal 35500. Cost centers 37xx are used for all programs in DAE.

LACOE Special Education services are provided by a separate division, LACOE Special Education Local Plan Area (SELPA) to provide Special Education services to LACOE JCS and Alternative Education students. At the end of the fiscal year, costs for Special Education in excess of Special Education revenues are distributed to JCS and Alternative Education programs based on the services provided to students in each program. LACOE SELPA expenditures and revenues are identified by Resource 65001 and the appropriate Special Education Goals as defined in SACS.

Conclusion: Based upon the survey data collected, LACOE's reported JCS expenditures and revenues are complete.

2. Determining the appropriateness of the program expenditures.

In order to obtain LACOE's JCS revenues and expenditures, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing. LACOE provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools.

Based upon verifiable information such as contract language, number of facilities and physical facility constraints, agreements with the DOJ, and limitations in serving students, it does not appear that LACOE has booked any expenditures which are inappropriate, but again, because the data from LACOE was derived from other sources and used to complete the forms and data information for comparison, there are no obvious inappropriate expenditures.

LACOE uses the following process for preparing Estimated Actuals in January of each year to project Total Annual Expenditures through June 30. These Estimated Actuals are used as a basis for Second Interim Reporting.

- Each division director is asked to project total expenditures based on actual expenditures, encumbrances to date and planned expenditures through the balance of the year.
- LACOE projects salary savings for the year based on actual salaries paid through December 31. The interim report is modified to include the salary savings, even though the budget is not adjusted. Salary savings are re-estimated for June 30 to determine the estimated actuals (beginning balance for next year's budget.)

- For the past three fiscal years, accuracy of these projections has been impacted primarily by hiring freezes implemented during the last quarter of the fiscal year due to instability of the budget at the state level.

Certificated and classified salaries and employee benefits are the largest expense for LACOE's JCS program. In 2006-07, 2007-08, and estimated for 2008-09, LACOE expended on average, 83.87% of the JCS expenditures on salaries and benefits. Based on the DOJ MOA, collective bargaining agreements, and the number of students in juvenile halls and camp schools, it is not expected that the JCS program can decrease the number of certificated and classified staff. Salary and benefit expenses will continue to grow which will increase the structural imbalance and deficit spending in LACOE's JCS program.

For certificated salaries, classified salaries, and employee benefits, LACOE uses the following process to allocate funds:

- In January of each year, a process is initiated to review all positions in the operational budget to determine if there are any additions or deletions to the requested budget for the ensuing fiscal year which begins on July 1.
- All additions/deletions for requested positions are approved by the JCS Regional Director, the Director of JCS, the Assistant Superintendent of Educational Programs, the Controller, and the Superintendent of Schools prior to inclusion in the developmental budget which is presented to the Board of Education in approximately May or June of each year.
- The salary and benefits are then rolled up into the consolidated budget using the state mandated format and brought to our Board for approval and adoption prior to July 1 of each fiscal year.

- The budget is then submitted to the California Department of Education for review and approval.
- Subsequent to CDE approval, changes to positions in the adopted budget, i.e., requests for additional positions, are subject to the same approval process: JCS Regional Director, the Director of JCS, the Assistant Superintendent of Educational Programs, the Controller, and the Superintendent of Schools. These changes are incorporated into a budget revision (BR) which is presented to LACOE's Board for review and adoption.
- LACOE's policy related to overtime requires prior approval by the Director of JCS, Assistant Superintendent of Educational Programs, review by the Executive Cabinet and final approval by the Superintendent of Schools.
- LACOE's HRS system and financial system are not fully integrated. However, LACOE uses separate applications, e.g., PC Budgets, PC Labor, and Position Control to project salary savings and build the budget.

Conclusion: Based upon verifiable information such as contract language, number of facilities and physical facility constraints, agreements with the DOJ, and limitations in serving students, it does not appear that LACOE has booked any expenditures which are inappropriate.

3. Determining the appropriateness of the funding allocation within the JCS program (e.g., salaries, materials, overhead, etc.) to address the needs of the JCS program participants.

In order to obtain LACOE's JCS revenues and expenditures, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing. LACOE provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools.

Education Code Section 41010 requires LEAs to follow the procedures in the *California School Accounting Manual* (CSAM) to record its revenues and expenditures. We found LACOE adheres to this requirement. LACOE also uses the Standardized Account Code Structure (SACS) to classify its financial activities. SACS is a uniform and comprehensive chart of accounts used by all local educational agencies (LEAs) in California. Although SACS is used by all LEAs, there is local control over the use of some components of SACS.

LACOE accounts for revenues and expenditures utilizing the guidance in the CSAM. LACOE has a comprehensive Chart of Accounts and utilizes the Goal and Location to account for JCS expenditures. The Goal Code tracks "who" is being served. LACOE has four Goals identified for JCS. They are:

- 36000 Juvenile Courts, Administration
- 36005 Juvenile Courts, Camps
- 36007 Juvenile Courts, Residential Community Educational Centers
- 36008 Juvenile Courts, Halls

In addition to using SACS Goals to track "who" is being served, LACOE has Location Codes to track expenses by school or site. JCS sites all begin with "39" e.g. 3972 which

identifies the site as Los Padrinos Principal Administrative Unit (PAU). This is a different identifying cost location than is used for Community Day Schools. Community Day Schools cost locations or site begins with a “37” e.g. 3709 which identifies the site as Community Day School.

Revenues are tracked by Resource Code which is the program or project for which the funds are allocated. When revenues are received by a COE, it is deposited by Fund and Resource. The revenue is not identified by Goal or Location. This is standard throughout LEAs.

LACOE and other counties do not align revenues to location because it is not a requirement and does not generally serve a purpose to track funds in this way.

Expenditures and revenues related to revenue limit funding for JCS are identified by the following Resources and Goals shown in Table 1 (Please see report). (LACOE utilizes a fifth digit to further define some Resources and Goals.)

LACOE also uses the school site SACS field to separate revenues and expenditures into budget management areas, called cost centers or locations. JCS program budget units are identified by the 39xx series of cost centers. Some budget items are managed by principals and are budgeted at the Principal’s Administrative Unit (PAU) level, e.g., Central Juvenile Hall is identified by cost center 3933. Other items, including revenue, division administration, and categorical expenditures, are budgeted in a central cost location, 3901. Categorical funding for expenditures (for example, instructional materials, AB 825, Foster Youth) applicable to the JCS program can be identified by cost location 39xx.

The JCS program and Community Day Schools programs belong to separate divisions; Community Day Schools programs are part of the Division of Alternative Education (DAE), a separate and unique division from the Division of Juvenile Court Schools which oversees all JCS programs. Expenditures and revenues are recorded in separate and distinct SACS

	<p>accounts, except for Special Education services (see below). Revenues and expenditures for Community Day Schools programs are identified by Resource 24300, Goal 35500. Cost centers 37xx are used for all programs in DAE.</p> <p>LACOE Special Education services are provided by a separate division, LACOE Special Education Local Plan Area (SELPA) to provide Special Education services to LACOE JCS and Alternative Education students. At the end of the fiscal year, costs for Special Education in excess of Special Education revenues are distributed to JCS and Alternative Education programs based on the services provided to students in each program. LACOE SELPA expenditures and revenues are identified by Resource 65001 and the appropriate Special Education Goals as defined in SACS.</p> <p>Conclusion: LACOE allocated funding according to the students which the funding serves. Based on our review, the current funding isn't adequate to meet the needs of the JCS program participants.</p>
<p>4. Determining the appropriateness of the LACOE's full-time and part-time staff assigned to provide JCS program services at the Probation camps and juvenile halls.</p>	<p>LACOE has added positions and other expenses to the budget in order to provide services to JCS students; clearly, these additions will result in higher costs in the program. LACOE uses approved staffing allocations to fill vacant positions. If additional positions are required for the JCS program, the request and supporting documentation goes through many levels of review which includes a review by the Superintendent. There are positions in the JCS program that are multifunded (funded by more than one resource, because the positions have responsibilities outside of the JCS program. An example of this is a teacher who spends a portion of time doing work for the DAE and spends the balance of time doing work for the JCS. We found these positions to be coded and expenses properly and proportionately to each program.</p>

	<p>Conclusion: Positions assigned to the JCS program are coded and expensed properly and proportionately to the JCS program. LACOE's staffing-to-student ratio is higher than other counties because of the limitations of restrictive class-sizes in the bargaining agreements, classroom size, and requirements to meet the U.S. DOJ MOA.</p>
<p>5. Evaluating LACOE's current revenue billing practices to maximize revenue entitlement.</p>	<p>Currently LACOE does not bill back to school districts for services rendered to students. "Per California Education Code Section 48645.2, "the county board of education shall provide for the administration and operation of juvenile court schools established pursuant to Section 48645.1." As a result, school districts are not required in Education Code to provide reimbursement to COEs that provide education services. If a COE wishes to seek reimbursement from the student's resident school district, an agreement must be created, such as a Memorandum of Understanding (MOU). In the comparative group, San Diego is the only county that has an agreement with its school districts and SELPAs to bill special education services back to the districts." Any type of negotiation for an MOU to bill school districts for services would be exceedingly difficult in light of current state budget and education funding deficits.</p> <p>Conclusion: Currently LACOE does not bill back to school districts for services rendered to students. School districts are not required in Education Code to provide reimbursement to COEs that provide education services. Any type of negotiation for an MOU to bill school districts for services would be exceedingly difficult in light of current State Budget and education funding deficits.</p>

B. Compare LACOE's funding allocation to provide JCS services at the Probation camps and halls with JCS programs in other counties including Orange and Ventura Counties, analyze the differences, and recommend best practices.

As part of this review, six COE JCS programs were surveyed in order to gather comparative data including budget, staffing, and program comparisons. One important finding of the comparative review is the uniqueness of each juvenile court school. As we analyzed the data, we found that because of factors such as budgeting practices, per capita costs, student population, JCS physical facility limitations, number of facilities, collective bargaining agreements, and other mitigating factors, it is difficult to compare JCS programs in different COEs. In addition, these various factors that directly affect the way a COE is able to operate a JCS program. In the following section we will discuss these factors as well as provide comparative analysis of the JCS programs. In order to obtain LACOE's and the other comparative counties' JCS expenditures and revenue, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in revenue and expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing. LACOE and the comparative counties provided this data for Juvenile Court Schools. Budget data for each camp and hall was not provided by COEs or LACOE in a manner that could be used for comparison. COEs are not required to budget by each site. Though some COEs did provide very basic information of total expenditures and total revenues, they were not allocated by site, or with any detail in order to compare the funding allocation.

The funding allocation for revenue limit ADA is the same in the respect that all COEs receive the same base revenue limit amount of funding from the state. This funding is then allocated based upon state requirements and program requirements unique at every COE. As the data was reported by the COEs, revenues are recorded as one of four types, revenue limit, state and local, federal, and other. This funding is then used according to its type for categorized expenditures such as salaries and benefits, books and supplies, capital outlay,

etc. The JCS revenue limit is consistent for all COEs. Some COEs reported differences in total revenue limit funding received because of prior year adjustments to correct for changes in ADA and that COEs can access other grants, categorical programs, and local revenue opportunities—if available or if the COE is eligible—to increase revenues, but this is provided and allocated based on local practice. The JCS survey used was dependent on subjective interpretation by each comparative COE.

Based upon the analysis of the comparative COEs data, it is apparent that it is difficult to apply best practices for LACOE's JCS program. Because of the uniqueness of LACOE's JCS program, such as budgeting practices, per capita costs, student population, JCS physical facility limitations, number of facilities, and collective bargaining agreements, what are best practices for one COE's JCS program may not apply to LACOE's JCS program. However, SSC was able to develop recommendations for LACOE by looking at the practices of the comparative COEs, and evaluating LACOE's unique considerations. The following recommendations were developed based upon these factors.

Comparative Recommendations in the report already:

1. LACOE should find ways to decrease expenditures, if possible, while complying with the U.S. DOJ MOA.
2. LACOE should continue to pursue all possible streams of revenue, such as grants, categorical programs, and any local revenue opportunities.
3. LACOE should determine if school districts will enter into an MOU to reimburse LACOE for excess education costs. It is important to note that a school district would have to agree to enter into the agreement to reimburse LACOE for excess education costs.
4. Probation should pursue funding to redesign or build facilities that are large enough to allow for larger class sizes.
5. Probation should investigate the viability of consolidating some of the halls or camps so LACOE can streamline efficiencies and serve a smaller number of facilities.

	<ol style="list-style-type: none"> 6. LACOE should investigate the possibility of negotiating concessions in the collective bargaining agreement and make changes that reduce costs. The concessions would have to be agreed to by the bargaining units. 7. Probation should pursue funding in order to redesign or build new facilities to provide classrooms that allow for additional student capacity. 8. Probation should investigate the possibility of consolidating facilities in order for LACOE to streamline operations and costs. <p>Conclusion: Budget data for each camp and hall was not provided by COEs or LACOE in a manner that could be used for comparison. COEs are not required to budget by each site. Though some COEs did provide very basic information of total expenditures and total revenues, they were not allocated by site, or with any detail in order to compare the funding allocation.</p>
<p>C. Describe the proposed residential service delivery model and identify the difference in the funding received, between the ADA-funding model and the proposed residential service delivery model.</p>	<p>The proposed funding model was developed in response to concerns that the current funding system for JCS fails to acknowledge the extraordinary operational constraints of juvenile court schools, the needs of this unique population and the inadequacy of the revenue limit-based funding model. The model was assembled from data and concepts developed by a variety of agencies, individuals, and School Services of California, Inc. The complete proposed residential service funding model is included in Appendix H for reference.</p> <p>The current ADA-funding model used by the state grants a base revenue limit per average daily attendance. The revenue limit funding model only provides money when students are physically attending school; it does not provide support for the staffing that must be in place each and every day in anticipation of students coming to learn and it does not consider the fact that students in the JCS program may have higher than average absences in order to attend court hearings or due to safety or security risks determined by Probation staff. Federal and Other State revenues are substantially underfunded and further compound the inequity</p>

between revenues received and programs required.

The JCS program, including services to special needs students, has cost LACOE more to operate than it receives in revenue. The encroachment and negative fund balance in the JCS program has continued to grow. As a result, the requirements and costs of the program continue to place pressure on LACOE's fiscal solvency.

The residential funding model was developed as a notional model to be used to present a new idea and way of thinking about funding the program. When this model was developed, one of its goals was to present a way to close the deficit gap. This model was created using the actual deficit and ADA for LACOE for 2006-07. In LACOE's reported budget data, the budget deficit for 2006-07 was \$6,228,847. The state certified ADA for 2006-07 was 4,220.30 ADA.

Because the notional model was created to close the gap of funding received by the state for LACOE's JCS program, the funding received would only supplement the base revenue limit to allow the JCS program to break even, not generate extra revenue. As the model has evolved and been revised, it does not accurately account for the SELPA revenue received by each classroom which affects the total underfunded amount and additional funding per ADA amount referenced in the model. The model, which is a work in progress, should be revised to correctly reflect all revenues and expenditures. It is important to understand that because this model was created to subsidize the funding received, the actual dollar amounts indicated for each variable are not necessarily correct because the variables were derived at a certain point in time with the explicit goal to close the deficit. The ADA variable used in the model accounts for the actual ADA funded, but does not account for the actual number of students in school each day because of the way ADA is calculated. If a student is in attendance for every day of the 12 month program, one student would earn 1.37 ADA per year, but because of the nature of the JCS program, the range of student incarceration varies; many students are in a transient status, attending school for a fraction of the 12 month program. As a result,

in order to calculate the number of bed units needed, it is important that the model is revised to reflect the number of students actually in attendance, not the number of ADA. If the model was to be implemented, more research and data collection should occur in order to obtain the most current and correct variable information.

Based upon the original model, the following additional funding was calculated as needed to implement the bed unit enhancement model: the 17-bed unit enhancement model would require \$12,684,826.26, the 15-bed unit enhancement model would require \$19,497,290.50, and the 20-bed unit enhancement would require \$5,021,112.70. Based upon the current budget information provided by LACOE, the additional funding needed (the difference between revenues and expenditures) is as follows: for 2006-07: \$6,228,867.38 (\$1,475.93 per ADA times 4220.30 ADA = \$6,228,867.38), for 2007-08: \$11,238,277.35 (\$2,838.68 per ADA times 3,958.98 = \$11,238,277.35), and for 2008-09: \$20,120,452.12 (\$5,025.59 per ADA [estimated] times 4,003.60 ADA [estimated] = \$20,120,452.12). As the model continues to evolve, it should be revised to reflect these actual amounts.

This proposal is not complete, and the variables used in the model are not necessarily reflective of actual contributions required to meet the needs of LACOE's JCS program. This proposal is a notional model, and should be revised to reflect actual variable amounts such as SELPA contributions, teacher salaries, and special education costs.

It is most important to recognize that this funding model cannot be implemented without legislation to allow this model to be implemented or at least be tested and establishing a pilot program. The current version of LACOE's proposed funding model, if implemented, should be revised to reflect all the potential variables of expenditure and revenue when developing the formula. The proposed funding model was developed as a sample of a type of model, based on bed unit enhancement model, and was not created as a final funding model for LACOE's JCS program. Because of this, it would not be appropriate to compare actual

	<p>projected revenues and expenditures, and those per capita amounts between the current ADA-funding model, and the proposed residential services funding model.</p> <p>Conclusion: This proposed funding model is not complete, and the variables used in the model are not necessarily reflective of actual contributions required to meet the needs of LACOE's JCS program. Because the notional model was created to close the gap of funding received by the state for LACOE's JCS program, the funding received would only supplement the base revenue limit to allow the JCS program to break even, not generate extra revenue. For 2006-07, this supplemental amount of funding to add to the base revenue limit would be \$1,475.92 per ADA. [\$6,228,847 (LACOE's reported 2006-07 deficit) divided by 4,220.30 ADA=\$1,475.92 per ADA.]</p>
<p>D. Evaluate the impact of the proposed funding model on LACOE's and the County's ability to implement the 35 recommendations contained in the Los Angeles County Comprehensive Education Reform Committee's Report.</p>	<p>The proposed funding model was developed in response to concerns that the current funding system for JCS fails to acknowledge the extraordinary operational constraints of juvenile court schools, the needs of this unique population and the inadequacy of the revenue limit-based funding model. The model was assembled from data and concepts developed by a variety of agencies, individuals, and School Services of California, Inc. The complete proposed residential service funding model is included in Appendix H for reference.</p> <p>The current ADA-funding model used by the state grants a base revenue limit per average daily attendance. The residential funding model was developed as a notional model to be used to present a new idea and way of thinking about funding the program. When this model was developed, one of its goals was to present a way to close the deficit gap. This model was created using the actual deficit and ADA for LACOE for 2006-07.</p> <p>As referenced previously, LACOE's JCS program is facing a structural deficit under the current ADA-funding model, and the proposed residential delivery model is not intended to generate additional discretionary revenue. The purpose of the proposed residential delivery</p>

	<p>model is to put in place a funding model to allow for the LACOE JCS program to receive enough revenue to be able to deliver the required programs and staffing. As a result, any of the 35 Recommendations which are contained in the Los Angeles County Comprehensive Education Reform Committee's report that require additional staff, programs, or any funding, cannot be implemented without increasing the deficit in LACOE's JCS program, or providing an additional revenue stream.</p> <p>SSC was not asked to cost out the 35 Recommendations, and because they are unique to LACOE, funding is not included in the proposed residential service funding model, or in state legislation. While SSC was not asked to cost out the Recommendations, it is obvious that virtually all Recommendations would have implied costs and would require additional funding, or would be implemented at the cost of increasing LACOE's current structural imbalance.</p> <p>The proposed residential services delivery model notional model was developed to attempt to eliminate the deficit that LACOE has incurred as a result of a disparity of funding versus actual expenditures. If the 35 recommendations will require funding, it has not been considered in the notional model.</p> <p>Conclusion: The proposed residential services delivery model was developed to attempt to eliminate the deficit that LACOE has incurred as a result of a disparity of funding versus actual expenditures. If the 35 recommendations will require funding, it has not been considered in the notional model and would further impact the structural deficit.</p>
II. Objectives	
A. Obtain an understanding of the Los Angeles County Comprehensive Education Reform Committee's report and the Memorandum of	<p>LACOE's JCS program must provide services to a large and diverse student population, approximately 13,662 students in 2007-08. As a result, the JCS program must be able to meet the varying requirements of instruction and services to students. Currently all JCS programs statewide are funded under the ADA revenue limit model, which funds a calculated juvenile court school revenue limit per ADA earned. As juvenile court schools</p>

**Understanding (MOU)
between LACOE and Los
Angeles County Probation
Department.**

have grown over time and continue to serve a more seriously affected population requiring more mental health services and more serious offenders, this model has become deficient in providing adequate funding to JCS programs to meet the needs of students.

In addition to difficulties with the ADA-funding model, LACOE's JCS program has also faced other challenges in meeting the needs of its students. According to the United States Department of Justice's (DOJ's) Eighth Monitoring Report, on November 8, 2000, the DOJ initiated an investigation of confinement practices, health, mental health, and education services provided to minors at the three Los Angeles County Juvenile Halls, pursuant to the Civil Rights of Institutionalized Persons Act (CRIPA), 42 U.S.C. of 1997, and the Violent Crime Control and Law Enforcement Act of 1994, 42 U.S.C., section 14141. SSC has read and reviewed the Los Angeles County Comprehensive Education Reform Committee's report and the Memorandum of Understanding (MOU) between LACOE and Los Angeles County Probation Department to understand the implications of the report and MOU on LACOE's JCS program.

On April 9, 2003, the Department of Justice submitted a "Findings" letter to the Los Angeles County Board of Supervisors, outlining 66 areas requiring remedial attention by the Department of Health Services—Juvenile Court Health Services (JCHS), Department of Mental Health (DMH), Probation and LACOE.

On March 9, 2004, the DOJ provided the County with an assessment of its progress toward reform and proffered a settlement agreement to the County and LACOE in recognition of ongoing efforts to ameliorate concerns raised during the investigation to date.

On August 24, 2004, the Department of Justice, the Los Angeles County Board of Supervisors and the Los Angeles County Office of Education approved and fully executed the final settlement agreement entitled, "Agreement between the United States, Los Angeles

County and the Los Angeles County Office of Education.” (Hereafter, this document shall be referred to as the Agreement, or Memorandum of Agreement (MOA). The MOA allows the County and LACOE to address the areas of concern over a three-year period under the supervision of a mutually agreed-upon project monitoring team which includes experts in the fields of psychiatry, mental health, medicine, safety and sanitation, juvenile justice programs, juvenile detention practices and education. The facilities covered by the MOA include the Barry J. Nidorf (BJNJH), Central (CJH), and Los Padrinos Juvenile Halls (LPJH).

Since 2003, LACOE has been working towards addressing and complying with the provisions of the MOA, which required scheduled compliance monitoring of the program and facilities by an outside identified monitoring team, as well as internal monthly audits performed by LACOE’s Division of Internal Audits and Analysis (IA&A). LACOE was identified as the lead agency for paragraphs 46-50 according to the Action Plan which details what the County and LACOE intend to follow to comply with the terms of the settlement agreement between the Department of Justice, the County of Los Angeles and the Los Angeles County Office of Education. Though LACOE is not the lead department on each provision, it is an integral part of many of the other provisions. For example, in paragraph 9, Mental Health, Probation, and Juvenile Court Health Services, are identified as the lead departments for meeting the provision, but as defined in the action plan, “the County and LACOE shall develop and implement a system for LACOE to refer youth for mental health services when such needs have been identified by LACOE personnel.”

To comply successfully with the terms of the Agreement, all provisions must be in “Substantial Compliance” for one full year. LACOE has made substantial progress in meeting and complying with the provisions of the Agreement, and the IA&A monthly audits are scheduled to continue through December 2009, and will decrease in frequency to an

	<p>annual basis thereafter.</p> <p>As of the DOJ's Eighth Semi-Annual Monitoring Report for the monitoring period of March 2008 through August 2008, a total of 56 provisions are in Full Compliance or Substantial Compliance Monitoring as defined in the MOA. The County and LACOE have achieved Full Compliance or Substantial Compliance Monitoring in all monitoring areas of the MOA.</p> <p>All 26 Paragraphs currently in Substantial Compliance Monitoring must complete the one-year requirement on or before August 24, 2009, to fulfill the terms of the Agreement.</p> <p>As a result of the MOA and work to be in compliance, LACOE was required to hire additional staff to address findings in areas such as assessment, treatment planning, and record keeping. In addition, LACOE has worked extensively with the County Department of Mental Health, and the County Probation Department to comply with the MOA findings, providing support and services as required to meet the provisions of the MOA. As a result, additional staff, resources, programs, and facilities were required to meet the MOA compliance, and all of these factors increased expenses for LACOE's JCS program. Without receiving any increases to revenues, LACOE's JCS program has incurred structural funding imbalances which lead to an ongoing deficit. The impact of this structural funding imbalance will be further discussed in the Budget Review, and Comparative Review sections of this report.</p> <p>Conclusion: SSC has read and reviewed the Los Angeles County Comprehensive Education Reform Committee's report and the Memorandum of Understanding (MOU) between LACOE and Los Angeles County Probation Department to understand the implications of the report and MOU on LACOE's JCS program.</p>
B. Obtain an understanding of LACOE's current processes	<p>In order to obtain LACOE's JCS revenues and expenditures, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller,</p>

used to develop the JCS budget and track JCS related revenue and expenditures. Evaluate the effectiveness of the process to accurately report JCS fiscal activity.

the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing. LACOE provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools.

Education Code Section 41010 requires LEAs to follow the procedures in the *California School Accounting Manual* (CSAM) to record its revenues and expenditures. We found LACOE adheres to this requirement. LACOE also uses the Standardized Account Code Structure (SACS) to classify its financial activities. SACS is a uniform and comprehensive chart of accounts used by all local educational agencies (LEAs) in California. Although SACS is used by all LEAs, there is local control over the use of some components of SACS.

LACOE accounts for revenues and expenditures utilizing the guidance in the CSAM. LACOE has a comprehensive Chart of Accounts and utilizes the Goal and Location to account for JCS expenditures. The Goal Code tracks “who” is being served. LACOE has four Goals identified for JCS. They are:

- 36000 Juvenile Courts, Administration
- 36005 Juvenile Courts, Camps
- 36007 Juvenile Courts, Residential Community Educational Centers
- 36008 Juvenile Courts, Halls

In addition to using SACS Goals to track “who” is being served, LACOE has Location Codes to track expenses by school or site. JCS sites all begin with “39” e.g. 3972 which identifies the site as Los Padrinos Principal Administrative Unit (PAU). This is a different identifying cost location than is used for Community Day Schools. Community Day Schools cost locations or site begins with a “37” e.g. 3709 which identifies the site as Community

Day School.

Revenues are tracked by Resource Code which is the program or project for which the funds are allocated. When revenues are received by a COE, it is deposited by Fund and Resource. The revenue is not identified by Goal or Location. This is standard throughout LEAs.

LACOE and other counties do not align revenues to location because it is not a requirement and does not generally serve a purpose to track funds in this way.

Expenditures and revenues related to revenue limit funding for JCS are identified by the following Resources and Goals shown in Table 1 (Please see report). (LACOE utilizes a fifth digit to further define some Resources and Goals.)

LACOE also uses the school site SACS field to separate revenues and expenditures into budget management areas, called cost centers or locations. JCS program budget units are identified by the 39xx series of cost centers. Some budget items are managed by principals and are budgeted at the Principal's Administrative Unit (PAU) level, e.g., Central Juvenile Hall is identified by cost center 3933. Other items, including revenue, division administration, and categorical expenditures, are budgeted in a central cost location, 3901. Categorical funding for expenditures (for example, instructional materials, AB 825, Foster Youth) applicable to the JCS program can be identified by cost location 39xx.

The JCS program and Community Day Schools programs belong to separate divisions; Community Day Schools programs are part of the Division of Alternative Education (DAE), a separate and unique division from the Division of Juvenile Court Schools which oversees all JCS programs. Expenditures and revenues are recorded in separate and distinct SACS accounts, except for Special Education services (see below). Revenues and expenditures for Community Day Schools programs are identified by Resource 24300, Goal 35500. Cost

centers 37xx are used for all programs in DAE.

LACOE Special Education services are provided by a separate division, LACOE Special Education Local Plan Area (SELPA) to provide Special Education services to LACOE JCS and Alternative Education students. At the end of the fiscal year, costs for Special Education in excess of Special Education revenues are distributed to JCS and Alternative Education programs based on the services provided to students in each program. LACOE SELPA expenditures and revenues are identified by Resource 65001 and the appropriate Special Education Goals as defined in SACS.

Conclusion: LACOE uses CSAM, SACS, and its Chart of Accounts to accurately report JCS fiscal activity.

C. Evaluate LACOE's utilization of existing dollars to provide JCS program services at the probation camps and juvenile halls by performing the following:	
1. Review LACOE's JCS program FYs 2006-07 and 2007-08 budget/actual expenditures and revenue and FY 2008-09 budgeted expenditures and revenue. Explain any material changes in the overall expenditures and revenues by Probation camps and juvenile halls.	<p>While we don't see material shifts between line items, the budget for almost every category of expense is increasing year over year from 2006-07, to 2007-08, and 2008-09.</p> <p>When we look at the budget data from 2006-07 through 2008-09, we see that LACOE consistently budgets conservatively when estimating expenditures throughout the year. The result has been that expenditures are budgeted higher than what actually occur. LACOE has experienced difficulty in accurately projecting the JCS program costs, but the costs are consistently higher than the revenues. This holds true in 2008-09, as expenditures are budgeted at almost \$8.4 million more than 2007-08. We would expect that as 2008-09 closes out, the expenditures will be revised to reflect actual expenditures which will be more similar to 2007-08.</p> <p>The expenditure side of the budget has grown year-over-year. Total expenses rose 3.95% in 2007-08 when compared to 2006-07 and are projected to increase 13.74% in 2008-09 when compared to 2007-08. The biggest dollar increases in the 2008-09 budget are for salaries and benefits. LACOE continues to add expenses for additional staffing and substitute salary account to cover assignments when teachers or other staff are absent and on paid leave.</p> <p>The Books and Supplies account is budgeted for higher expenses than in 2006-07 and 2007-08. This is due mostly to carryover amounts in the lottery account not spent in previous years.</p>

The Services, Other Operating Expenses are budgeted for significantly higher expenses in 2008-09 when compared to 2006-07 and 2007-08 and LACOE attributes the increases to changes in accounting for expenses previously reported in the Indirect/Direct Support category. Other increases in the category are for a new custodial services agreement with Probation and contract services with the Management Information Systems (MIS) Unit.

The Capital Outlay budget is significantly lower in 2008-09 when compared to unaudited actuals from 2006-07 and 2007-08.

Indirect/Direct Support is slightly lower in 2008-09 when compared to prior years' expenditures. This is mainly due to changes in accounting and tracking expenses, which has changed from this category of expense to Services, Other Operating Expenses. Please reference Table 6 in the report.

LACOE has added positions and other expenses to the budget in order to provide services to JCS students; clearly, these additions will result in higher costs in the program. LACOE uses approved staffing allocations to fill vacant positions. If additional positions are required for the JCS program, the request and supporting documentation goes through many levels of review which includes a review by the Superintendent. There are positions in the JCS program that are multifunded (funded by more than one resource, because the positions have responsibilities outside of the JCS program). An example of this is a teacher who spends a portion of time performing work for the DAE and spends the balance of time doing work for the JCS. We found these positions to be coded and expenses properly and proportionately to each program.

Conclusion: While we don't see material shifts between line items, the budget for almost every category of expense is increasing year over year from 2006-07, to 2007-08, and 2008-09.

2. Review LACOE's FY 2006-07, 2007-08, and 2008-09 JCS budgets and identify JCS budgetary line items with material funding amounts. Evaluate the appropriateness of allocating the funding to the line items to address the JCS program participants' needs. In addition, identify any material shifts of funds from year to year between different line items.

In order to obtain LACOE's JCS revenues and expenditures, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing. LACOE provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools. Please reference Tables 3, 4, and 5 in the report to see the changes in revenue year-over-year.

Table 10 (please see report) displays the three year total of unaudited actual revenues and expenditures, with the difference from year to year as well as the percent change. In the chart we see that revenues decreased by 5.01% from 2006-07 to 2007-08, and 0.78% from 2007-08 to 2008-09. One explanation of this decrease in revenues is the decreased earned and funded ADA (Please see Tables 55, 56, and 57, for total ADA). LACOE's JCS program ADA declined by 261.32 ADA from 2006-07 to 2007-08, and 44.62 ADA (projected) from 2007-08 to 2008-09. This decline in ADA would automatically cause a decrease in funding from the state recognized as revenue limit funding. This decline would also cause LACOE to lose federal funding such as Title I and special education funding which are among the largest federal funding sources for the JCS program. These contributing factors can cause a significant decline in revenues for LACOE's JCS program. Over the same period of time, LACOE's JCS program expenditures increased by 3.95% from 2006-07 to 2007-08, and 13.74% (projected) from 2007-08 to 2008-09. These expenditure increases are partly the result of the changes LACOE was required to implement as the COE's section of the DOJ MOU. LACOE was required to increase staff, including teachers and special education staff. As a result, this higher rate of staffing has increased the expenditures for LACOE and does not respond to changes in ADA as it would if the staffing simply accommodated the set number of students. As of February 2007, LACOE had hired 19 certificated and nine

additional staff to work directly with three juvenile halls to address the special education related areas of the U.S. DOJ MOA, 15 additional staff members to work in the Student Records Acquisition Unit, and four additional staff members for the DOJ Halls project, plus an additional 2.5 full-time equivalent (FTE) positions authorized to be filled. We found that in 2008-09 a significant number of certificated and classified positions were added or vacancies filled in the JCS program resulting in budgeted expenditures in salary and benefits to increase by almost \$6.5 million. LACOE attributes the changes mostly to compliance issues and the increased cost of substitutes when personnel is absent and coverage is required. Thus, if ADA continues to decline as projected, LACOE's JCS program will continue to accrue a deficit as fewer students earn ADA and revenue, but the requirements for LACOE as a result of the DOJ MOA remain unchanged.

Conclusion: LACOE allocates the funding based on the project and program for which the funds are allocated. Revenues are tracked by Resource Code which is the program or project for which the funds are allocated. When revenue is received by LACOE, it is deposited by Fund and Resource. The revenue is not identified by Goal or Location. This is standard throughout LEAs.

3. Compare LACOE's FYs 2006-07 and 2007-08 actual expenditures and revenue with the budgeted expenditures and revenue by Probation camps and juvenile halls. Explain any material differences.

In order to obtain LACOE's JCS expenditures and revenue, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in revenue and expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing). LACOE provided this data for Juvenile Court Schools. Budget data for each camp and hall was not provided by LACOE or the comparison COEs in a manner that could be used for comparison. COEs are not required to budget by each site. The measurement used by SSC to determine the difficulties in projecting budget was to compare LACOE's estimated actuals to the unaudited actuals for 2006-07 and 2007-08. The estimated actuals are budgeted numbers in May or June of LACOE's fiscal year and is the last benchmark measurement before the end of the fiscal year (June 30). In 2008-09 the benchmark measurement was the adopted budget (July 1) to the first interim reporting period (October 31).

In reviewing LACOE's JCS program budget data for 2006-07, 2007-08, and 2008-09, it was observed that there were some difficulties in projecting salaries and benefits for staff and in other expenditure areas of the budget.

The information that follows provides, by fiscal year, the differences between estimated actuals and unaudited actuals for all major categories of revenues and expenditures in the JCS program. (For 2008-09 year, the differences are between the adopted budget and the first interim reporting period.) The differences are provided in both a dollar amount and as a percentage.

In 2006-07, certificated salaries were reported at 3.09% less in the unaudited actuals than from the estimated actuals, while classified salaries came in 14.43% less in the unaudited

actuals. Employee salaries were overestimated, and at the time of the unaudited actuals were 7.67% less than what was budgeted in the estimated actuals. These discrepancies indicate that LACOE is not updating the JCS budget at a point in the year when it should have a better estimate of revenues and expenses. Additionally, books and supplies expenses came in 44% lower than what was budgeted in the estimated actuals. LACOE should be able to better project the year-end expenses at this point. The sharp changes in salaries and other expenses could cause greater problems if they were underestimated, resulting in a larger deficit.

The same pattern continues in 2007-08, with overestimates in projecting salaries, benefits, books and supplies, and other operating services. Certificated salaries were 11.99% lower than the estimated actuals, and books and supplies expenditures were recorded 50.61% less in the unaudited actuals. LACOE should work to better project these expenses to ensure it is providing an accurate budget and following best practices to update the budget on a continuous basis.

In order to evaluate the appropriateness and completeness of LACOE's JCS program staff allocated to the JCS program, SSC reviewed the position control process by comparing the position control reports (HRS F26 Report) for the related JCS resource codes and location numbers identified in LACOE's Chart of Account to the 2008-09 staff list for Barry J. Nidorf PAU which SSC received independent of the position control information. Based upon the evaluation of staff on the 2008-09 staff list from Barry J. Nidorf PAU, all staff listed on the staff list was found to be coded correctly in the position control documents to the Barry J. Nidorf PAU. In addition, SSC did not find any extraneous staff coded to the Barry J. Nidorf PAU in the position control documents reviewed.

In 2008-09, only the adopted budget and first interim reporting period data were available, and based on this preliminary data, LACOE appears to be doing an adequate job of projecting revenues and expenditures; however, the accuracy of the estimates will be known

when the fiscal year closes.

Although there are variances in the budget projections as compared to actual expenditures at the end of the year, and improvements can be made in projecting revenues and expenditures in the JCS program budget, the biggest concern and area that continues to require immediate attention is the structural deficit in the program. Each and every year the JCS program costs exceed the revenue and the deficit continues to grow.

The focus in reviewing the data should not be on the budget to actuals variances, but should be on the fact that the current funding model does not provide enough revenue to cover the costs of providing services to students in the JCS program. LACOE is providing the services, yet there is no additional funding to support the expenses. As LACOE worked to become compliant with the final settlement agreement, staff and programs additions to the JCS program were necessary, requiring funding. For example, from July 2005 to February 2009, SELPA staff at Barry J. Nidorf Principal Administrative Unit (PAU) increased from 10 to 36 staff members as a result of meeting the stipulations set forth in the agreement. Without additional new funding, LACOE must rely upon current revenue streams to fund the increases in staff. In addition, the annual external audit does not audit to the level of JCS resource.

LACOE's General Accounting staff projects the ending balances in February of each year as part of its preparation of the Second Interim report for the California Department of Education. Revenue is calculated based on current budgeted average daily attendance figures, multiplied by the current revenue limit rate, with the appropriate cost-of-living adjustment (COLA) and any deficit factors applied. A deficit factor occurs when the state cannot fund the entire COLA.

Although budgeted salaries and benefits are based on active positions, vacancies and the

unspent monies associated with them do not reduce the budget. The projection must be adjusted to more accurately reflect the annual spending. Salary and benefits expenditures are projected by identifying the actual expenditures for one month, multiplying this figure by the remaining number of months in the fiscal year, and adding this to the year-to-date actual expenditures, thus providing a full year's projected salaries and benefits.

Expenditure estimate forms are distributed to LACOE managers to provide full-year projections for Supplies, Services and Direct Support costs, as the managers have current knowledge of program activity and circumstances. The managers complete the forms and return them to General Accounting. Projected indirect support costs are applied based on the total projected expenditures.

Revenue declined in 2007-08 from 2006-07 and is projected to decline slightly in 2008-09 when compared to 2007-08. Some of the decline in revenue can be attributed to the decline in ADA earned.

While we don't see material shifts between line items, the budget for almost every category of expense is increasing year over year from 2006-07, to 2007-08, and 2008-09.

When we look at the budget data from 2006-07 through 2008-09, we see that consistently, LACOE budgets conservatively when estimating expenditures throughout the year. The result has been that expenditures are budgeted higher than what actually occur. LACOE has experienced difficulty in accurately projecting the JCS program costs, but the costs are consistently higher than the revenues. This holds true in 2008-09, as expenditures are budgeted as almost \$8.4 million more than 2007-08. We would expect that as 2008-09 closes out, the expenditures will be revised to reflect actual expenditures which will be more similar to 2007-08.

The expenditure side of the budget has grown year-over-year. Total expenses rose 3.95% in

2007-08 when compared to 2006-07 and are projected to increase 13.74% in 2008-09 when compared to 2007-08. The biggest dollar increases in the 2008-09 budget are for salaries and benefits. LACOE continues to add expenses for additional staffing and substitute salary account to cover assignments when teachers or other staff are absent and on paid leave.

The Books and Supplies account is budgeted for higher expenses than in 2006-07 and 2007-08. This is due mostly to carryover amounts in the lottery account not spent in previous years.

The Services, Other Operating Expenses are budgeted for significantly higher expenses in 2008-09 when compared to 2006-07 and 2007-08 and LACOE attributes the increases to changes in accounting for expenses previously reported in the Indirect/Direct Support category. Other increases in the category are for a new custodial services agreement with Probation and contract services with the Management Information Systems (MIS) Unit.

The Capital Outlay budget is significantly lower in 2008-09 when compared to unaudited actuals from 2006-07 and 2007-08.

Indirect/Direct Support is slightly lower in 2008-09 when compared to prior years' expenditures. This is mainly due to changes in accounting and tracking expenses which has changed from this category of expense to Services, Other Operating Expenses.

LACOE has added positions and other expenses to the budget in order to provide services to JCS students; clearly, these additions will result in higher costs to the program. LACOE uses approved staffing allocations to fill vacant positions. If additional positions are required for the JCS program, the request and supporting documentation goes through many levels of review which includes a review by the Superintendent. There are positions in the JCS program that are multifunded (funded by more than one resource, because the positions have responsibilities outside of the JCS program. An example of this is a teacher who spends a

	<p>portion of time doing work for the DAE and spends the balance of time doing work for the JCS. We found these positions to be coded and expenses properly and proportionately to each program.</p> <p>Conclusion: Although there are variances in the budget projections as compared to actual expenditures at the end of the year, and improvements can be made in projecting revenues and expenditures in the JCS program budget, the biggest concern and area that continues to require immediate attention is the structural deficit in the program. Each and every year the JCS program costs exceed the revenue and the deficit continues to grow.</p>
<p>4. Evaluate the appropriateness and compare all LACOE's FY 2006-07 and 2007-08 full-time and part-time staff that charged to the JCS budget (e.g., administration and teaching staff at the Probation camps and juvenile halls).</p>	<p>In order to obtain LACOE's JCS revenues and expenditures, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing. LACOE provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools.</p> <p>LACOE has added positions and other expenses to the budget in order to provide services to JCS students; clearly, these additions will result in higher costs in the program. LACOE uses approved staffing allocations to fill vacant positions. If additional positions are required for the JCS program, the request and supporting documentation goes through many levels of review which includes a review by the Superintendent. There are positions in the JCS program that are multifunded (funded by more than one resource, because the positions have responsibilities outside of the JCS program. An example of this is a teacher who spends a portion of time doing work for the DAE and spends the balance of time doing work for the JCS. We found these positions to be coded and expenses properly and proportionately to</p>

	<p>each program.</p> <p>Conclusion: Currently LACOE does not bill back to school districts for services rendered to students. School districts are not required in Education Code to provide reimbursement to COEs that provide education services. Any type of negotiation for an MOU to bill school districts for services would be exceedingly difficult in light of current State Budget and education funding deficits.</p>
<p>5. Evaluate the reasonableness and compare LACOE's overhead charges to the JCS program for FYs 2006-07, 2007-08, and 2008-09. Explain any material differences.</p>	<p>In order to obtain LACOE's JCS revenues and expenditures, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing. LACOE provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools.</p> <p>Expenditure estimate forms are distributed to LACOE managers to provide full year projections for Supplies, Services and Direct Support costs, as the managers have current knowledge of program activity and circumstances. The managers complete the forms and return them to General Accounting. Projected indirect support costs are applied based on the total projected expenditures.</p> <p>Once the revenue and expenditure projections have been reviewed and confirmed, the surplus or deficit for the current year is added to the prior year's actual ending balance to arrive at the current year projected ending balance.</p> <p>Indirect costs are charged to categorical programs at the lower rate allowed by the grant, or the state approved indirect rate. Indirect has been charged to LACOE revenue limit programs at a fixed rate, which was 6.25% prior to 2008 Fiscal Year, 6.75% for 2008. Indirect expense follows the state SACS definition of indirect costs. For 2008, the following other indirect</p>

	<p>costs were allocated to LACOE programs by the methods shown in Table 2 (Please see report). Costs of Agency-wide administration are recorded as indirect expense. Administration of the JCS program (division director, dedicated fiscal staff) is charged as a direct cost to the program central budget.</p> <p>Conclusion: The costs of Agency-wide administration are recorded as indirect expense. Administration of the JCS program (division director, dedicated fiscal staff) is charged as a direct cost to the program's central budget. The cost of overhead is increasing year-over-year, the increases or differences can be attributed to staffing. Increases in staff appear to be due to compliance with the U.S. DOJ MOA.</p>
<p>6. Evaluate the accuracy and compare the JCS program's ADA and ADP for FYs 2006-07, 2007-08, and 2008-09 for the Probation camps and juvenile halls. Explain any material differences.</p>	<p>LACOE's JCS program is the largest in the state, having earned 3,958 ADA in 2007-08, with a projected 2008-09 ADA of 4,003.60, but the ADA number does not fully represent the student population which received services from the JCS program during those years. According to data provided by LACOE, in 2007-08, the total number of individual students served was 13,662, and the total number of times students were processed into the program was 46,702 (this number includes the same student processed multiple times). Based upon this data, it is estimated that each student was processed—or reentered the system—an average of 3.4 times per year. Though LACOE earned revenue limit funding for 3,958 ADA in 2007-08, the LACOE JCS program was required to process and serve those 13,662 individual students, multiple times throughout the year. This takes dedicated staff time and resources in order to serve these students, which requires sufficient funding. Due to the current ADA-funding model, the LACOE JCS program is only funded on earned ADA, which for 2007-08 was 3,958 students. As a result, the LACOE JCS program must be prepared to provide services to more than three times the number of students actually funded. Staffing must be in place regardless of whether or not a student comes to class. When students do not come to class, ADA is not earned, yet staff must be paid. This causes a considerable financial strain to the LACOE JCS program, and in turn, LACOE as it struggles to backfill this gap in funding with contributions that have grown each year. Table</p>

54 (please see report) demonstrates these issues.

Tables 55, 56, and 57 (please see report), display the ADA and average daily population (ADP) for the comparison COE JCS programs. For LACOE, ADP is a measure of student attendance collected by the Probation department to measure the total population average per day for the facility (which could include incarcerated youth who are not enrolled in school). It is important to note that all COE JCS programs record ADP in different ways, some calculate it on an average monthly enrollment, while others use a daily attendance provided by their county's Probation Department. LACOE provided average monthly enrollment or ADE for comparison.

The two measures of student attendance, ADA and ADP and do not measure what the costs of the JCS program will be in a year. For LACOE's JCS program, expenditures are based on the following factors: U.S. DOJ Memorandum of Agreement, student population, established facility limitations, and collective bargaining contract limitations. For other COE's, different expenditure recording practices are used based upon local decisions and allocations.

Conclusion: Based upon the respective functions of ADA and ADP (which could include incarcerated youth who are not enrolled in school), these measures of student attendance cannot be compared, and as a result, no material differences were found.

7. Develop per capita measurements (e.g., cost/revenue per child, etc.) and evaluate the per capita measurements for all staff during FYs 2006-07, 2007-08, and 2008-09 in the following areas: Overall budget per camps (if applicable) and juvenile halls (if applicable)

In order to obtain LACOE's JCS revenues and expenditures, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing. LACOE provided this data for Resources, Goals, and cost centers specifically for the Juvenile Court Schools. COEs are not required to budget by each site.

Expenditures and revenues related to revenue limit funding are identified by the following Resources and Goals shown in Table 11 (please see report). (LACOE utilizes a fifth digit to further define some Resources and Goals.)

LACOE also uses the school site SACS field to separate revenues and expenditures into budget management areas, called Cost Centers or Locations. JCS program budget units are identified by the 39xx series of cost centers. Some budget items are managed by principals and are budgeted at the Principal's Administrative Unit (PAU) level, e.g., Central Juvenile Hall is identified by cost center 3933. Other items, including revenue, division administration, and categorical expenditures, are budgeted in a central cost location, 3901. Categorical funding (for example, instructional materials, AB 825, Foster Youth) applicable to the JCS program can be identified by cost location 39xx.

The JCS program and Community Day Schools programs are provided by separate divisions, Community Day Schools programs are part of the Division of Alternative Education (DAE), a separate and unique division from the Division of Juvenile Court Schools which oversees all JCS programs. Expenditures and revenues are recorded in separate and distinct SACS accounts, except for Special Education services. Revenues and

expenditures for Community Day Schools programs are identified by Goal 35500. Cost centers 37xx are used for all programs in DAE.

In order to fully understand the structural imbalance that LACOE's JCS program is faced with, it is necessary to calculate the per student, or per capita, revenue and expense. Because LACOE's JCS program receives the majority of its funding from the revenue limit, with a small percentage of the remainder of funding derived from other sources such as federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds, we felt it was important to see the structural imbalance of the revenue limit funding compared to expenditures on a per capita basis, as well as the total revenues received compared to expenditures on a per capita basis. Revenue limits are the prime component of every LACOE's JCS program budget. The dollar amounts per pupil are the same for every COE. Table 12 (please see report) displays the revenue limit received by LACOE's JCS program from the state for 2006-07, 2007-08, and 2008-09 (projected).

Table 13 (please see report) displays the per capita total revenues received per student. We calculated per capita revenues received by LACOE, which included all revenues recorded by LACOE for incarcerated youth: revenue limit, federal revenue, state revenue, other local revenue, and contributions from other funds. These total revenues were provided by LACOE. The per capita calculation was done by using the ADA number, the number of students funded, as the divisor of total revenues.

Table 14 (please see report) shows the calculation for the expenditures on a per capita basis. We calculated per capita expenditures by LACOE, including all expenditures recorded by LACOE for incarcerated youth: certificated salaries, classified salaries, employee benefits, books and supplies, services and other operating expenses, capital outlay, other outgo, and indirect/direct support. The per capita calculation was done by using the ADA number, the

number of students funded, as the divisor of total revenues.

When the per capita calculations are completed, it is easy to see how large the structural imbalance is, and how much it impacts the way LACOE is able to operate its JCS program at a student level. As shown in Table 15 (please see report), it is projected that for 2008-09, there is a structural deficit of over \$8,200 dollars, meaning the expenditures are projected to be \$8,284.27 more per student than the projected revenue limit funding received. Calculated using the 2008-09 projected annual ADA of 4,003.60, ($\$8,284.27 \times 4,003.60$), it is projected that the structural imbalance for 2008-09 could reach \$33,166,903.37 when evaluating revenue limit funding alone.

Though the revenue limit is the majority of revenue received by any JCS program, it is important to consider all revenue received. Table 16 (please see report) displays the structural imbalance between total per capita expenses and total per capita revenues received (which include the revenue limit, federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds). It is projected that in 2008-09, LACOE's JCS program per capita revenues will fall short of covering the per capita expenditures by \$5,025.59 per ADA. This translates to an imbalance of revenues and expenditures of over \$20,000,000 ($\$5,025.59 \times 4,003.60 = \$20,120,452.12$). It is not possible for LACOE, or any COE to subsidize such a large structural deficit, especially as the deficit continues to grow.

Revenues decreased by 5.01% from 2006-07 to 2007-08, and 0.78% from 2007-08 to 2008-09. One explanation of this decrease in revenues is the decreased earned and funded ADA (Please see Tables 55, 56, and 57, for total ADA). LACOE's JCS program ADA declined by 261.32 ADA from 2006-07 to 2007-08 and 44.62 ADA (projected) from 2007-08 to 2008-09. This decline in ADA would automatically cause a decrease in funding from the state recognized as revenue limit funding. This decline would also cause LACOE to lose federal funding such as Title I and special education funding which are among the largest

federal funding sources for the JCS program. These contributing factors can cause a significant decline in revenues for LACOE's JCS program. Over the same period of time, LACOE's JCS program expenditures increased by 3.95% from 2006-07 to 2007-08, and 13.74% (projected) from 2007-08 to 2008-09. These expenditure increases are partly the result of the changes LACOE was required to implement as the COE's section of the DOJ MOA. LACOE was required to increase staff, including teachers and special education staff. As a result, this higher rate of staffing has increased the expenditures for LACOE and does not respond to changes in ADA as it would if the staffing simply accommodated the set number of students. As of February 2007, LACOE had hired 19 certificated and nine additional staff to work directly with three juvenile halls to address the special education related areas of the U.S. DOJ MOA, 15 additional staff members to work in the Student Records Acquisition Unit, and four additional staff members for the DOJ Halls project, plus an additional 2.5 FTE positions authorized to be filled. We found that in 2008-09 a significant number of certificated and classified positions were added or vacancies filled in the JCS program resulting in budgeted expenditures in salary and benefits to increase by almost \$6.5 million. LACOE attributes the changes mostly to compliance issues and the increased cost of substitutes when personnel is absent and coverage is required. Thus, if ADA continues to decline as projected, LACOE's JCS program will continue to accrue a deficit as fewer students earn ADA and revenue, but the requirements for LACOE as a result of the DOJ MOA remain unchanged.

Conclusion: LACOE is not required to budget by camp and hall, therefore, the budget is not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total LACOE JCS budget, which includes all revenues and expenditures.

(1) Teaching and administrative salaries	Conclusion: LACOE is not required to budget by camp and hall, therefore, the budget is not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total LACOE JCS budget, which includes all revenues and expenditures.
(2) Employee benefits	Conclusion: LACOE is not required to budget by camp and hall, therefore, the budget is not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total LACOE JCS budget, which includes all revenues and expenditures.
(3) Number of teaching staffing (full- and part-time)	Conclusion: LACOE is not required to budget by camp and hall, therefore, the budget is not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total LACOE JCS budget, which includes all revenues and expenditures.
(4) Special education services	Conclusion: LACOE is not required to budget by camp and hall, therefore, the budget is not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total LACOE JCS budget, which includes all revenues and expenditures.
(5) Overhead	Conclusion: LACOE is not required to budget by camp and hall, therefore, the budget is not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total LACOE JCS budget, which includes all revenues and expenditures.
(6) Funding	Conclusion: LACOE is not required to budget by camp and hall, therefore, the budget is not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total LACOE JCS budget, which includes all revenues and expenditures.
Explain any material differences	Conclusion: LACOE is not required to budget by camp and hall, therefore, the budget is not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total LACOE JCS budget, which includes all revenues and expenditures.

8. Identify opportunities to enhance current ADA-funding model to maximize JCS related funding.	<p>Based upon the current ADA-funding model, the only opportunity LACOE has to increase JCS revenue limit funding is to have every student attend school every day to earn ADA.</p> <p>Conclusion: LACOE should continue to pursue all possible streams of revenue, such as grants, categorical programs, and any local revenue opportunities.</p>
D. Compare LACOE's utilization of its funding to provide JCS education services with other counties' utilization of their funding to provide JCS services by performing the following:	
1. Obtain and review FYs 2006-07 and 2007-08 budgets/actual expenditures and FY 2008-09 budget for the Juvenile Court School Programs in the Counties of Alameda, Orange, and Ventura and two other comparable jurisdictions in California.	<p>LACOE and other COE's provided the JCS program data by completing a lengthy survey. The budget information for individual programs and resources is not reported in this manner and cannot be easily manipulated or generated by COEs. In order to complete the detailed information regarding JCS program revenues and expenditures, COEs designated staff to this non-routine assignment. The funding allocation for revenue limit ADA is the same in the respect that all COEs receive the same base revenue limit amount of funding from the state. This funding is then allocated based upon state requirements and program requirements unique at every COE. As the data was reported by the COEs, revenues are recorded as one of four types, revenue limit, state and local, federal, and other. This funding is then used according to its type for categorized expenditures such as salaries and benefits, books and supplies, capital outlay, etc. The JCS revenue limit is consistent for all COEs. Some COEs reported differences in total revenue limit funding received because of prior year adjustments to correct for changes in ADA and that COEs can access other grants, categorical programs, and local revenue opportunities—if available or if the COE is eligible—to increase revenues, but this is provided and allocated based on local practice. The JCS program survey used was dependent on subjective interpretation by each</p>

comparative COE.

The report provides by fiscal year each COE JCS program's adopted budget, estimated actuals, unaudited actuals, and the differences between what was estimated in May or June of a fiscal year as compared to the unaudited actuals when the fiscal year ended and all revenues and expenditures for the fiscal year were recorded and finalized.

Each COE JCS program had variances between what was budgeted and what came to fruition in fiscal years 2006-07 and 2007-08. In the current fiscal year, 2008-09, data provided shows only the differences between the adopted budget and the first interim reporting period. Estimated actuals data and unaudited actuals will not be known until close to and at the end of the fiscal year.

Conclusion: SSC obtained and reviewed the budget and actual expenditures for 2006-07 and 2007-08, and the 2008-09 budget for the comparative COE JCS programs.

2. Obtain ADA and ADP information for the last two years for the JCS programs from the comparative jurisdictions and compare to LACOE's JCS program ADA and ADP. Explain any material differences.

LACOE's JCS program is the largest in the state, having earned 3,958 ADA in 2007-08, with a projected 2008-09 ADA of 4,003.60, but the ADA number does not fully represent the student population which received services from the JCS program during those years. According to data provided by LACOE, in 2007-08, the total number of individual students served was 13,662, and the total number of times students were processed into the program was 46,702 (this number includes the same student processed multiple times). Based upon this data, it is estimated that each student was processed—or reentered the system—an average of 3.4 times per year. Though LACOE earned revenue limit funding for 3,958 ADA in 2007-08, the LACOE JCS program was required to process and serve those 13,662 individual students, multiple times throughout the year. This takes dedicated staff time and resources in order to serve these students, which requires sufficient funding. Due to the current ADA-funding model, the LACOE JCS program is only funded on earned ADA, which for 2007-08 was 3,958 students. As a result, the LACOE JCS program must be prepared to provide services to more than three times the number of students actually funded. Staffing must be in place regardless of whether or not a student comes to class. When students do not come to class, ADA is not earned, yet staff must be paid. This causes a considerable financial strain to the LACOE JCS program, and in turn, LACOE as it struggles to backfill this gap in funding with contributions that have grown each year. Table 54 (please see report) demonstrates these issues.

Tables 55, 56, and 57 (please see report), display the ADA and average daily population (ADP) for the comparison COE JCS programs. For LACOE, ADP is a measure of student attendance collected by the Probation department to measure the total population average per day for the facility. It is important to note that all COE JCS programs record ADP in different ways, some calculate it on an average monthly enrollment, while others use a daily attendance provided by their county's Probation Department. LACOE provided average monthly enrollment or ADE for comparison. We could not compare these student attendance

measurements between the comparison COEs because there is no established standard to collect and record this data.

The two measures of student attendance, ADA and ADP and do not measure what the costs of the JCS program will be in a year. For LACOE's JCS program, expenditures are based on the following factors: U.S. DOJ Memorandum of Agreement, student population, established facility limitations, and collective bargaining contract limitations. For other COE's, different expenditure recording practices are used based upon local decisions and allocations. Tables 55, 56, and 57 (please see report), display the reported ADA and ADP for the comparison group.

Conclusion: We could not compare these student attendance measurements between the comparison COEs because there is no established standard to collect and record this data.

3. Identify any variables that may impact the ability to compare LACOE's JCS program with the JCS programs in other jurisdictions including the number of program participants and the scope of services provided by the other counties.

In the JCS survey, counties were asked to list programs and services provided (including supplemental services), how many students are served in each program, and what is the total number of students served in 2006-07, 2007-08, and 2008-09 (estimated) (CBEDs and annual number). The responses from the comparative counties did not provide data in which conclusions could be drawn on specific programs.

Other variables which impact the ability of the comparability of LACOE's JCS program are contract language, number of facilities and physical facility constraints, agreements with the DOJ, and limitations in serving students.

Contract Language:

LACOE's certificated bargaining unit agreement caps JCS classes at 17:1 for regular classes and at 14:1 if 50% or more of the pupils have an IEP with special day placement (this does not include pupils with IEPs for Resource or DIS designation). PAUs are staffed with a formula that follows the class size language in the bargaining agreement and staffs with one teacher to 17 students, one administrator per PAU, one assistant principal per every 12 classes, one educational counselor per PAU (collective bargaining contract requires more staffing at a ratio of 150 students to one educational counselor), and classified staff.

When compared to the JCS programs in the comparative group, only two of the counties have similar constraints with class size, and four of the six counties only stipulate that class sizes must be held at the legally allowed maximum as defined in California Education Code. In 2007-08, LACOE's JCS program has the richest certificated staffing ratio of the comparison group at 12.44:1. The other comparison JCS programs have a much higher ratio which can help to reduce costs on a per-classroom basis because the majority of comparison JCS programs do not have restrictive class-size language and are able to staff at a higher number of students per certificated staff. LACOE's JCS program has the largest number of certificated staff when compared to the comparison COEs for 2006-07 and 2007-08. This is largely the result of the constraints and

requirements which LACOE must currently operate within: the U.S. DOJ Memorandum of Agreement, student population, established facility limitations, and collective bargaining contract limitations. LACOE's administrator ratio is richer than all but one comparative COE, San Bernardino. Based on analysis of the collective bargaining agreements, U.S. DOJ MOA, and facilities constraints, it appears that the higher number of administrators is required to manage LACOE's 22 facilities for JCS program education. As referenced in the Comparative JCS Program Facilities section of this report, LACOE has by far the most facilities at which it is required to provide educational services.

Facilities:

Unlike school districts that have a high degree of control over the facilities in which they operate, LACOE essentially has no control over the size and number of classrooms, nor the configuration in the juvenile hall and camp schools. Probation staff makes the decision on appropriate class size based on safety and security. Although the class sizes are capped at 17 students in LACOE's certificated teacher bargaining unit agreement and the contract language does not allow for higher class sizes, most JCS facilities are not able to hold classes of 17.

While visiting Los Padrinos Juvenile Hall, it was observed that the classrooms that were visited, only held 15 student desks at a maximum, and because of the size of the classroom, could not accommodate any additional students. Based on data provided by LACOE, the average class size is 15.4 students per class with actual attendance lower in most cases.

LACOE tracks, by site, the maximum number of students that can be accommodated in each classroom at the halls and camps. The spreadsheets documenting class loading maximums are in Appendix D for reference.

It is important to note that two facilities have further constraints by the California State Board of Correction Space Regulation (which refers to square footage requirements): Challenger Camp

School is limited to 15 students per class, and Barry J. Nidorf Juvenile Hall School is limited to 13 students per class.

LACOE staff provided us with an internal analysis of revenue and expenditures for the JCS program. The analysis shows that class sizes of 19 students would allow the program to break even, if facilities were available. As the average class size is 15.4, the JCS program continues to operate on a deficit with the current constraints. A copy of the LACOE staff analysis of the break even point for JCS classes is in Appendix D for reference.

LACOE's JCS program has 22 facilities. Students can be transported from one location to another for many reasons such as: security concerns, gender, and space availability. The number of facilities supported by LACOE in providing education services to incarcerated youth contributes to the high costs of providing the program. Adequate staff has to be in place to cover instructional needs at 22 facilities. Table 59 (please see report) summarizes the number of JCS facilities for LACOE and other COEs in the comparative group.

Limitations on serving students:

One of the largest categorical programs in California is for special education services. Special education funding is currently based on a rate per unit of ADA. While funding was previously distributed based upon selected service needs for special education students, a new funding model that began in 1998-99 gives local agencies the ability to operate programs in a much more flexible manner and removes some of the incentives—and disincentives—that were inherent in the old special education funding model.

The state does not provide enough funding support to LEAs and has, on average, underfunded LEAs by approximately 30% annually.

JCS programs generally serve a large population of special education students which require individualize education plans (IEPs), richer staff ratios, and other special services further

required by the state. Table 58 displays the percentage of students identified as special education by the comparison COE JCS programs. In 2007-08, 23.44% of students in LACOE's JCS program were identified as special education, ranking LACOE's JCS program slightly above the comparison group average. In addition to necessitating special educational services, the challenge is heightened by the safety requirements of the incarcerated students. Many students must be separated during the school day because of potential safety risks. This includes conducting separate classes for boys, girls, adult charged students, students on psychotropic drugs, students with gang affiliation, or other students who pose a risk. Because of the Los Angeles County Education Association collective bargaining agreement, class size in the JCS program is capped at 17 students; further reducing the size to 14 students if 50% or more of the pupils have an IEP with special day placement (this does not include pupils with IEPs for Resource or Designated Instructional Services [DIS] designation). As a result of the bargaining agreement, a heavy burden is placed on LACOE's JCS program to provide the required services to regular and special education students while also respecting the need for certain separated classes because of safety risks, and retaining the class size required by the collective bargaining agreement. Copies of the class size articles for the comparison JCS programs' bargaining agreements can be found in Appendix B.

The JCS programs in the comparative group reported similar percentages of special education populations, and would be expected to be facing similar problems such as LACOE in terms of providing services. Only two of the six other participating COEs provided data for special education populations for all three requested years. Table 58 (please see report) displays the percentages of special education at each JCS program. It is important to note that LACOE is below the group's average in 2008-09, but only two other COE's provided this data, and that the 2008-09 special education data is a projection, not actual data. In addition, though LACOE's percentages may be below some of the comparison COE's special education percentages, the large population of LACOE's JCS program creates an increased burden on LACOE. For example, in 2008-09, the reported 30.20% of identified special education students in San

	<p>Bernardino equates to approximately 111 students in 2008-09. (30.20% of 369 2008-09 reported ADA= 111.44) For LACOE, the similar percentage of 20.82% special education students in 2008-09 equates to approximately 834 students (20.82% of 4,003.60 2008-09 reported ADA = 833.55). LACOE is providing special education services to a larger number of students, and this translates to an increase in required staff and services.</p> <p>Conclusion: Significant variables which impact the ability of the comparability of LACOE's JCS program are: contract language, number of facilities and physical facility constraints, agreements with the DOJ, and limitations in serving students.</p>
<p>4. Become familiar with the JCS program funding models used by the comparative jurisdictions and explain any material differences between LACOE's current funding model and the funding models used by the comparative jurisdictions.</p>	<p>In order to obtain LACOE's and the other comparative counties' JCS expenditures and revenue, SSC requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS survey asked for all budget data in revenue and expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing. LACOE and the comparative counties provided this data for Juvenile Court Schools. Budget data for each camp and hall was not provided by COEs or LACOE in a manner that could be used for comparison. COEs are not required to budget by each site. Though some COEs did provide very basic information of total expenditures and total revenues, they were not allocated by site, or with any detail in order to compare the funding allocation.</p> <p>The funding allocation for revenue limit ADA is the same in the respect that all COEs receive the same base revenue limit amount of funding from the state. This funding is then allocated based upon state requirements and program requirements unique at every COE. As the data was reported by the COEs, revenues are recorded as one of four types, revenue limit, state and local, federal, and other. This funding is then used according to its type for categorized expenditures such as salaries and benefits, books and supplies, capital outlay, etc. The JCS revenue limit is consistent for all COEs. Some COEs reported differences in total revenue limit funding received</p>

	<p>because of prior-year adjustments to correct for changes in ADA and that COEs can access other grants, categorical programs, and local revenue opportunities—if available or if the COE is eligible—to increase revenues, but this is provided and allocated based on local practice. LACOE was the only COE that provided revenue sources in each revenue category: revenue limit, federal revenue, state revenue, other local revenue, and contributions/subsidies. The JCS program survey used was dependent on subjective interpretation by each comparative COE.</p> <p>Conclusion: All COE's receive the same state funding allocation for revenue limit ADA which is the JCS base revenue limit. Some COEs reported differences in total revenue because of prior-year adjustments for changes in ADA and that COEs can access other grants, categorical programs, and local revenue opportunities—if available or if the COE is eligible—to increase revenues, but this is provided and allocated based on local practice.</p>
<p>5. Develop per capita measurements for the comparative jurisdictions' JCS services and compare the per capita measurements to the per capita measurements developed for LACOE's JCS program. The areas compared should cover the following: Overall budget per camps (if applicable) and juvenile halls (if applicable)</p>	<p>Because each COE in the comparative group has its own unique factors such as student population, and number of facilities, the per capita, or per student, measurements must be used to allow for like comparisons. This section will evaluate the per capita revenues and expenditures of the comparative COE JCS group. In order to obtain LACOE's and the other comparative counties' JCS program expenditures and revenue, we requested a survey be completed. SSC developed the survey with input and approval from the Auditor-Controller, the Los Angeles County Probation Department, and LACOE. The JCS program survey asked for all budget data in revenue and expenditure categories for Juvenile Court Schools for 2006-07 adopted budget and unaudited actuals, 2007-08 adopted budget and unaudited actuals, and 2008-09 adopted budget and first interim data (the most recent at the time of report writing. LACOE and the comparative counties provided this data for Juvenile Court Schools.</p> <p>We calculated per capita revenues received by the COE, which included all revenues recorded by the COE for incarcerated youth: revenue limit, federal revenue, state revenue, other local revenue, and contributions from other funds. These total revenues were provided by the COE.</p>

The per capita calculation was done by using the ADA number, the number of students funded, as the divisor of total revenues.

We calculated per capita expenditures by the COE, including all expenditures recorded by the COE for incarcerated youth: certificated salaries, classified salaries, employee benefits, books and supplies, services and other operating expenses, capital outlay, other outgo, indirect/direct support. The per capita calculation was done by using the ADA number, the number of students funded, as the divisor of total revenues.

It is important to note that because COEs are not required to track the revenues and expenditures in this comparable way, all participating COEs were required to deconstruct the data down to the level of JCS, (incarcerated students only).

The variance in per capita total revenue in the comparative group is due to the way each COEs provided JCS-related revenue in the survey. COEs are not required to report and collect data for JCS programs. Each COE is required to follow the rules of the California School Accounting Manual (CSAM) and to file reports using the State's Standardized Account Code Structure (SACS). SACS consolidates the revenues and expenditures by major object number for revenues and expenditures. COEs are not required to attribute all revenues to the level of detail required by the scope of work.

Each COE JCS program has unique characteristics and challenges, and as a result, the costs of running the programs are very different. It is necessary to calculate the per capita expenditures (displayed in Tables 48, 49, and 50) in order to allow for comparison. The contributing factors to the varying amounts of per capita expenditures for the comparison JCS group will be fully examined in the following comparative JCS program sections of this report; however, it is important to note that factors such as program size, the needs of students (i.e., special education), limited class sizes, safety issues, and facility constraints can contribute largely to the

per capita expenditures. We calculated per capita expenditures by the COE, including all expenditures recorded by the COE for incarcerated youth: certificated salaries, classified salaries, employee benefits, books and supplies, services and other operating expenses, capital outlay, other outgo, indirect/direct support. The per capita calculation was done by using the ADA number, the number of students funded, as the divisor of total revenues.

As shown in Table 51, LACOE's per capita expenditures of \$14,079.17 in 2006-07, \$15,600.95 in 2007-08 and \$17,547.30 projected in 2008-09, are the highest of the comparison group for all three years. For LACOE, some of the contributing factors (which will be fully examined in the following comparative JCS program sections of this report) are facility limitations, restrictions on class sizes set forth in the Los Angeles County Education Association's (LACEA's) bargaining agreement, the U.S. DOJ MOA, and special education costs. As LACOE's JCS program must operate under these limitations—which drive up costs—while still receiving the same revenue limit per ADA as all other COE JCS programs. Another factor to keep in mind is that all COEs completed a survey to provide all JCS-related expenditures. As with the revenues reported by COEs, some COEs may not have reported all JCS-related expenses because they are not reported or collected in the manner and to the level of detail required by the scope of work. So, while the data may not necessarily be comparing “apples to apples,” significant factors that affects the costs of LACOE's JCS program are the U.S. DOJ Memorandum of Agreement, ADA revenue limit funding, student population, established facility limitations, and collective bargaining contract limitations.

As noted in the previous Revenues and Expenditures sections, the amount of revenue limit funding per unit of ADA is established by the state. Revenue limit funding per unit of ADA by the state is insufficient to operate JCS programs. All COEs in the comparative group project a deficit in Revenue Limit funding per unit of ADA in 2008-09 which means that program-required expenditures are higher than revenues generated through student attendance (ADA). LACOE and San Bernardino have been struggling with a structural deficit in Revenue Limit

funding in each of the three years reported, 2006-07, 2007-08, and 2008-09. In 2008-09, LACOE's JCS program is projected to have a deficit in funding of \$8,284.27 per ADA (shown in Table 52), meaning that the program will be short \$8,284.37 per student in funding, and LACOE will be required to subsidize the program by this amount per student, causing a significant burden on resources. This deficit is calculated by subtracting per capita expenditures in Table 51 from the per ADA revenue limit amounts in Table 43. San Bernardino COE's JCS program also faces a large deficit in revenue limit funding, projecting a per ADA deficit of \$5,761.11.

Because JCS programs do receive some funding from federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds in addition to the revenue limit, we must also compare the surplus or deficit of total per capita revenues (including revenue limit, federal revenue, state revenue, other local revenue, and any contributions or subsidies from other funds) to total per capital expenditures. Table 53 displays the surplus and deficits for total revenue funding in 2006-07, 2007-08, and 2008-09 (projected).

Again, LACOE's JCS program has the largest deficit of total per capita revenues compared to per capita total expenditures. This is the most complete per capita analysis as it is evaluating all reported revenues and expenditures. LACOE's projected JCS program per capita deficit in funding is projected to be \$5,025.59 per ADA in 2008-09. Even with all sources of revenue included, LACOE's JCS program still has a large structural imbalance that is projected to continue to increase under the current funding constraints and program limitations.

Conclusion: COEs are not required to budget by camp and hall, therefore, the budgets are not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total COE JCS budgets, which include all revenues and expenditures.

(1) Teaching and administrative salaries	Conclusion: COEs are not required to budget by camp and hall, therefore, the budgets are not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total COE JCS budgets, which include all revenues and expenditures.
(2) Employee benefits	Conclusion: COEs are not required to budget by camp and hall, therefore, the budgets are not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total COE JCS budgets, which include all revenues and expenditures.
(3) Number of teaching staffing (full- and part-time)	Conclusion: COEs are not required to budget by camp and hall, therefore, the budgets are not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total COE JCS budgets, which include all revenues and expenditures.
(4) Special education	Conclusion: COEs are not required to budget by camp and hall, therefore, the budgets are not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total COE JCS budgets, which include all revenues and expenditures.
(5) Overhead	Conclusion: COEs are not required to budget by camp and hall, therefore, the budgets are not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total COE JCS budgets, which include all revenues and expenditures.
(6) Funding	Conclusion: COEs are not required to budget by camp and hall, therefore, the budgets are not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total COE JCS budgets, which include all revenues and expenditures.
Explain any material differences	Conclusion: COEs are not required to budget by camp and hall, therefore, the budgets are not camp and hall specific and a per capita measurement could not be developed by camp and hall. We calculated the per capita expenses and revenues based on the total COE JCS budgets, which include all revenues and expenditures.

E. Obtain an understanding of LACOE's proposed legislation and residential service delivery funding model	<p>The proposed funding model was developed in response to concerns that the current funding system for JCS fails to acknowledge the extraordinary operational constraints of juvenile court schools, the needs of this unique population and the inadequacy of the revenue limit-based funding model. The model was assembled from data and concepts developed by a variety of agencies, individuals, and School Services of California, Inc. The complete proposed residential service funding model is included in Appendix H for reference.</p> <p>The current ADA-funding model used by the state grants a base revenue limit per average daily attendance. The revenue limit funding model only provides money when students are physically attending school; it does not provide support for the staffing that must be in place each and every day in anticipation of students coming to learn and it does not consider the fact that students in the JCS program may have higher than average absences in order to attend court hearings or due to safety or security risks determined by Probation staff. Federal and Other State revenues are substantially underfunded and further compound the inequity between revenues received and programs required.</p> <p>The JCS program, including services to special needs students, has cost LACOE more to operate than it receives in revenue. The encroachment and negative fund balance in the JCS program has continued to grow. As a result, the requirements and costs of the program continue to place pressure on LACOE's fiscal solvency.</p> <p>As stated in the proposed funding model pilot paper, while the structure of the educational service delivery model is generally sound, given the extraordinary needs of JCS students, the extremely high turnover rate, the percentage of special education students enrolled, the more challenging population and the complicating custody requirements that accompany the delivery of services, the same cannot be concluded for the funding system. The current funding system fails to take into consideration the practical realities of providing services to</p>
--	--

these students, ranging from the unpredictability of their enrollment and attendance to their vastly different educational needs. LACOE asserts that because of the following factors, the very structure of the current ADA-funding model guarantees that they will not be sufficiently funded. The proposed residential service funding model proposes that because of the high costs of instruction, little to no control over attendance and enrollment, accommodating the safety requirements of the JCS program while providing educational services, COEs are facing growing financial strains in maintaining their juvenile court schools. The proposed funding model pilot paper proposes that in order to address the deficiencies of the current juvenile court school funding system, the state should establish a court school funding model that stabilizes COE funding by moving away from an ADA-only-funding model. Because of the unpredictability of enrollment and attendance in juvenile court school classrooms and the requirement to staff classrooms regardless of student enrollment and attendance levels on any given day, a new model should provide funding levels that are less sensitive to day-to-day attendance fluctuations. A bed-unit enhancement to the ADA model system would greatly stabilize local funding levels.

This model, which borrows from concepts raised in Stanford University's 2007 study, *Getting Down to Facts: School Finance and Governance in California*, authored by Susanna Loeb, Anthony Bryk, and Eric Hanushek, recognizes the full complement of teaching staff, support staff, materials and supplies, and administrative overhead that is needed to offer instruction to a complement of students residing at a juvenile hall or other court school setting. These variables can be adjusted to meet the needs of the program.

The residential funding model was developed as a notional model to be used to present a new idea and way of thinking about funding the program. When this model was developed, one of its goals was to present a way to close the deficit gap. This model was created using the actual deficit and ADA for LACOE for 2006-07. In LACOE's reported budget data, the budget deficit for 2006-07 was \$6,228,847. The state certified ADA for 2006-07 was

4,220.30.

Because the notional model was created to close the gap of funding received by the state for LACOE's JCS program, the funding received would only supplement the base revenue limit to allow the JCS program to break even, not generate extra revenue. As the model has evolved and been revised, it does not accurately account for the SELPA revenue received by each classroom which affects the total underfunded amount and additional funding per ADA amount referenced in the model. The model, which is a work in progress, should be revised to correctly reflect all revenues and expenditures. It is important to understand that because this model was created to subsidize the funding received, the actual dollar amounts indicated for each variable are not necessarily correct because the variables were derived at a certain point in time with the explicit goal to close the deficit. The ADA variable used in the model accounts for the actual ADA funded, but does not account for the actual number of students in school each day because of the way ADA is calculated. If a student is in attendance for every day of the 12 month program, one student would earn 1.37 ADA per year, but because of the nature of the JCS program, the range of student incarceration varies; many students are in a transient status, attending school for a fraction of the 12 month program. As a result, in order to calculate the number of bed units needed, it is important that the model is revised to reflect the number of students actually in attendance, not the number of ADA. If the model was to be implemented, more research and data collection should occur in order to obtain the most current and correct variable information.

Based upon the original model, the following additional funding was calculated as needed to implement the bed unit enhancement model: the 17-bed unit enhancement model would require \$12,684,826.26, the 15-bed unit enhancement model would require \$19,497,290.50, and the 20-bed unit enhancement would require \$5,021,112.70. Based upon the current budget information provided by LACOE, the additional funding needed (the difference between revenues and expenditures) is as follows: for 2006-07: \$6,228,867.38 (\$1,475.93

per ADA times 4220.30 ADA = \$6,228,867.38), for 2007-08: \$11,238,277.35 (\$2,838.68 per ADA times 3,958.98 = \$11,238,277.35), and for 2008-09: \$20,120,452.12 (\$5,025.59 per ADA [estimated] times 4,003.60 ADA [estimated] = \$20,120,452.12). As the model continues to evolve, it should be revised to reflect these actual amounts.

This proposal is not complete, and the variables used in the model are not necessarily reflective of actual contributions required to meet the needs of LACOE's JCS program. This proposal is a notional model, and should be revised to reflect actual variable amounts such as SELPA contributions, teacher salaries, and special education costs.

It is most important to recognize that this funding model cannot be implemented without legislation to allow this model to be implemented or at least be tested and establishing a pilot program. The current version of LACOE's proposed funding model, if implemented, should be revised to reflect all the potential variables of expenditure and revenue when developing the formula. The proposed funding model was developed as a sample of a type of model, based on bed unit enhancement model, and was not created as a final funding model for LACOE's JCS program. Because of this, it would not be appropriate to compare actual projected revenues and expenditures, and those per capita amounts between the current ADA-funding model, and the proposed residential services funding model.

The proposed residential service funding model is referenced in Appendix H. At this time, it is a notional model of how reform could look. In order for the proposed residential service funding model to be implemented, it would require legislation and appropriation of a much higher level of funding. In the short term, it is highly unlikely that the state will adopt this change.

Currently, there is a bill number and author Senate Bill 698 (Negrete McLeod) for changes to JCS funding; however, it is a work in progress and doesn't currently address the need for

	additional funding.
F. Identify the funding difference between LACOE's current JCS program funding model and the residential service delivery model. Explain any material issues.	<p>The proposed funding model was developed in response to concerns that the current funding system for JCS fails to acknowledge the extraordinary operational constraints of juvenile court schools, the needs of this unique population and the inadequacy of the revenue limit-based funding model. The model was assembled from data and concepts developed by a variety of agencies, individuals, and School Services of California, Inc. The complete proposed residential service funding model is included in Appendix H for reference.</p> <p>The current ADA-funding model used by the state grants a base revenue limit per average daily attendance. The revenue limit funding model only provides money when students are physically attending school; it does not provide support for the staffing that must be in place each and every day in anticipation of students coming to learn and it does not consider the fact that students in the JCS program may have higher than average absences in order to attend court hearings or due to safety or security risks determined by Probation staff. Federal and Other State revenues are substantially underfunded and further compound the inequity between revenues received and programs required.</p> <p>The JCS program, including services to special needs students, has cost LACOE more to operate than it receives in revenue. The encroachment and negative fund balance in the JCS program has continued to grow. As a result, the requirements and costs of the program continue to place pressure on LACOE's fiscal solvency.</p> <p>As stated in the proposed funding model pilot paper, while the structure of the educational service delivery model is generally sound, given the extraordinary needs of JCS students, the extremely high turnover rate, the percentage of special education students enrolled, the more challenging population and the complicating custody requirements that accompany the</p>

delivery of services, the same cannot be concluded for the funding system. The current funding system fails to take into consideration the practical realities of providing services to these students, ranging from the unpredictability of their enrollment and attendance to their vastly different educational needs. LACOE asserts that because of the following factors, the very structure of the current ADA-funding model guarantees that they will not be sufficiently funded. The proposed residential service funding model proposes that because of the high costs of instruction, little to no control over attendance and enrollment, accommodating the safety requirements of the JCS program while providing educational services, COEs are facing growing financial strains in maintaining their juvenile court schools. The proposed funding model pilot paper proposes that in order to address the deficiencies of the current juvenile court school funding system, the state should establish a court school funding model that stabilizes COE funding by moving away from an ADA-only-funding model. Because of the unpredictability of enrollment and attendance in juvenile court school classrooms and the requirement to staff classrooms regardless of student enrollment and attendance levels on any given day, a new model should provide funding levels that are less sensitive to day-to-day attendance fluctuations. A bed-unit enhancement to the ADA model system would greatly stabilize local funding levels.

This model, which borrows from concepts raised in Stanford University's 2007 study, *Getting Down to Facts: School Finance and Governance in California*, authored by Susanna Loeb, Anthony Bryk, and Eric Hanushek, recognizes the full complement of teaching staff, support staff, materials and supplies, and administrative overhead that is needed to offer instruction to a complement of students residing at a juvenile hall or other court school setting. These variables can be adjusted to meet the needs of the program.

The residential funding model was developed as a notional model to be used to present a new idea and way of thinking about funding the program. When this model was developed, one of its goals was to present a way to close the deficit gap. This model was created using

the actual deficit and ADA for LACOE for 2006-07. In LACOE's reported budget data, the budget deficit for 2006-07 was \$6,228,847. The state certified ADA for 2006-07 was 4,220.30 ADA.

Because the notional model was created to close the gap of funding received by the state for LACOE's JCS program, the funding received would only supplement the base revenue limit to allow the JCS program to break even, not generate extra revenue. As the model has evolved and been revised, it does not accurately account for the SELPA revenue received by each classroom which affects the total underfunded amount and additional funding per ADA amount referenced in the model. The model, which is a work in progress, should be revised to correctly reflect all revenues and expenditures. It is important to understand that because this model was created to subsidize the funding received, the actual dollar amounts indicated for each variable are not necessarily correct because the variables were derived at a certain point in time with the explicit goal to close the deficit. The ADA variable used in the model accounts for the actual ADA funded, but does not account for the actual number of students in school each day because of the way ADA is calculated. If a student is in attendance for every day of the 12 month program, one student would earn 1.37 ADA per year, but because of the nature of the JCS program, the range of student incarceration varies; many students are in a transient status, attending school for a fraction of the 12 month program. As a result, in order to calculate the number of bed units needed, it is important that the model is revised to reflect the number of students actually in attendance, not the number of ADA. If the model was to be implemented, more research and data collection should occur in order to obtain the most current and correct variable information.

Based upon the original model, the following additional funding was calculated as needed to implement the bed unit enhancement model: the 17-bed unit enhancement model would require \$12,684,826.26, the 15-bed unit enhancement model would require \$19,497,290.50, and the 20-bed unit enhancement would require \$5,021,112.70. Based upon the current

budget information provided by LACOE, the additional funding needed (the difference between revenues and expenditures) is as follows: for 2006-07: \$6,228,867.38 (\$1,475.93 per ADA times 4220.30 ADA = \$6,228,867.38), for 2007-08: \$11,238,277.35 (\$2,838.68 per ADA times 3,958.98 = \$11,238,277.35), and for 2008-09: \$20,120,452.12 (\$5,025.59 per ADA [estimated] times 4,003.60 ADA [estimated] = \$20,120,452.12). As the model continues to evolve, it should be revised to reflect these actual amounts.

This proposal is not complete, and the variables used in the model are not necessarily reflective of actual contributions required to meet the needs of LACOE's JCS program. This proposal is a notional model, and should be revised to reflect actual variable amounts such as SELPA contributions, teacher salaries, and special education costs.

It is most important to recognize that this funding model cannot be implemented without legislation to allow this model to be implemented or at least be tested and establishing a pilot program. The current version of LACOE's proposed funding model, if implemented, should be revised to reflect all the potential variables of expenditure and revenue when developing the formula. The proposed funding model was developed as a sample of a type of model, based on bed unit enhancement model, and was not created as a final funding model for LACOE's JCS program. Because of this, it would not be appropriate to compare actual projected revenues and expenditures, and those per capita amounts between the current ADA-funding model, and the proposed residential services funding model.

The proposed residential service funding model is referenced in Appendix H. At this time, it is a notional model of how reform could look. In order for the proposed residential service funding model to be implemented, it would require legislation and appropriation of a much higher level of funding. In the short term, it is highly unlikely that the state will adopt this change.

	<p>Currently, there is a bill number and author Senate Bill 698 (Negrete McLeod) for changes to JCS funding; however, it is a work in progress and doesn't currently address the need for additional funding.</p> <p>Conclusion: This proposed funding model is not complete, and the variables used in the model are not necessarily reflective of actual contributions required to meet the needs of LACOE's JCS program. Because the notional model was created to close the gap of funding received by the state for LACOE's JCS program, the funding received would only supplement the base revenue limit to allow the JCS program to break even, not generate extra revenue. For 2006-07, this supplemental amount of funding to add to the base revenue limit would be \$1,475.92 per ADA. [\$6,228,847 (LACOE's reported 2006-07 deficit) divided by 4,220.30 ADA=\$1,475.92 per ADA.]</p>
<p>G. Determine how the residential service delivery model will impact LACOE's and the County's ability to implement the 35 recommendations (e.g., time, quality, etc.) contained in the Los Angeles County Comprehensive Education Reform Committee's report.</p>	<p>In an effort to improve LACOE's JCS program, the Los Angeles County Comprehensive Education Reform Committee was convened at the request of Los Angeles County Board of Supervisors. The result of the Comprehensive Education Reform Committee's work is reflected in the 35 Recommendations. The current ADA-funding model used by the state grants a base revenue limit per average daily attendance. The residential funding model was developed as a notional model to be used to present a new idea and way of thinking about funding the program. When this model was developed, one of its goals was to present a way to close the deficit gap. This model was created using the actual deficit and ADA for LACOE for 2006-07.</p> <p>The proposed residential services delivery model notional model was developed to attempt to eliminate the deficit that LACOE has incurred as a result of a disparity of funding versus actual expenditures. If the 35 recommendations will require funding, it has not been considered in the notional model.</p> <p>As referenced previously, LACOE's JCS program is facing a structural deficit under the current ADA-funding model, and the proposed residential delivery model is not intended to</p>

	<p>generate additional discretionary revenue. The purpose of the proposed residential delivery model is to put in place a funding model to allow for the LACOE JCS program to receive enough revenue to be able to deliver the required programs and staffing. As a result, any of the 35 Recommendations which are contained in the Los Angeles County Comprehensive Education Reform Committee's report that require additional staff, programs, or any funding, cannot be implemented without increasing the deficit in LACOE's JCS program, or providing an additional revenue stream.</p> <p>SSC was not asked to cost out the 35 Recommendations, and because they are unique to LACOE, funding is not included in the proposed residential service funding model, or in state legislation. While SSC was not asked to cost out the Recommendations, it is obvious that virtually all Recommendations would have implied costs and would require additional funding, or would be implemented at the cost of increasing LACOE's current structural imbalance.</p> <p>Conclusion: The proposed residential services delivery model was developed to attempt to eliminate the deficit that LACOE has incurred as a result of a disparity of funding versus actual expenditures. If the 35 recommendations will require funding, it has not been considered in the notional model and would further impact the structural deficit.</p>
Summary Recommendations	Please see attached document for the summary of recommendations.

